SHRI DIPEN GHOSH: The Prime Minister is also falling into that category...

THE DEPUTY CHAIRMAN: Is it a point of information of order?

SHRI DIPEN GHOSH: None of them is a Member of either of the Houses.

DR. YELAMANCHILI SIVAJI:: Madam...

THE DEPUTY CHAIRMAN: Now, let Mr. Reddy get ready for the Budget speech. It is his maiden speech, perhaps...

DR. YELAMANCHILI SIVAJI:: He has yielded for a minute.

THE DEPUTY CHAIRMAN: I know you are talking about Andhra, about fertilizers...

DR. YELAMANCHILI SIVAJI:: Not only in Andhra, but throughout the country...

THE DEPUTY CHAIRMAN: You can raise it in the Budget speech. We have got very little time. (*Interruptions*) I am telling you one thing. Anybody who is going to talk out of turn, I am going to cut it from the Budget time...

DR. YELAMANCHILI SIVAJI:: Doesn't matter. (*Interruptions*) Madam, as soon as the fertilizer rate is enhanced, throughout the country, all the stocks went underground and they are stocked in the godowns. And they are not selling the fertilizers to the farmers. Thereby in Andhra Pradesh and in several other places, the farmers came out into the street. And the Government resorted to lathicharge. There was firing in several places...(*Interruptions*). Unless this situation is corrected, it will create a serious law and order situation and so, I would request...

THE DEPUTY CHAIRMAN: Dr. Sivaji, please sit down.

DR. YELAMANCHILI SIVAJI:: Let the Home Minister come out with a statement. Let there be an assurance from the Government about supply of fertilizers at the normal rate.

THE DEPUTY CHAIRMAN: How is the Home Minister concerned?

DR. YELAMANCHILI SIVAJI:: He is concerned with law and order.

THE DEPUTY CHAIRMAN: He should also be concerned with law and order in the House.

श्री प्रमोद महाजन (महाराष्ट्र) : एक क्षण आपका लेना चाहता हूं। रूस हमारा बहुत घनिष्ठ मित्र है और मिखाइल गर्बाचौव ने मार्क्सवाद और लेनिनवाद... (**व्यवधान**)...की घोषणा की है इसके लिए सदन को उनको बधाई देनी चाहिए। इतनी मेरी प्रार्थना है।

श्री चतुरानन मिश्र : बी०जे०पी०के लोग अगर मिठाई लाये हैं तो खिला दे चाहिए।

उप-सभापति : हाऊस के अंदर नहीं खा सकते हैं, बाहर जाकर खाइयेगा। We are not discussing the USSR. We are busy with our own Budget. Mr. Reddy.

THE BUDGET (GENERAL), 1991-92

THE LEADER OF THE OPPOSITION (SHRI S. JAIPAL REDDY): Madam, I share, at the outset, our Finance Minister's perception that our national economy is today confronting a complex and multi-dimensional crisis of unprecedented magnitude. But I regret to note that the diagnosis is highly partisan and the recipe is worse than the disease. I respect our Finance Minister both for his personal sincerity and his professional stature. But he was being less than sincere and less than professional when he tried to lay blame at the National

[Shri S. JAIPAL REDDY]

Front Government or at the SJP Government for the present economic crisis.

[The Vice-Chairman (Shrimati Jayanthi Natarajan) in the Chair]

I propose to discuss the factors that led to the present situation not only to apportion the blame properly but also to know the reasons for this malady.

The correct historical diagnosis is, in my view, a *sine qua non* for evolving a proper prescription. The three most disturbing aspects of the current economic situation are: (1) yawning fiscal deficit; (2) runaway inflation; and (3) alarming foreign-exchange crunch. Let me now address myself to the record of the Congress-I rule in respect of each of these three aspects. Talking of the fiscal deficit, we must note that the subsidies accounted for only 1.56 per cent of our GDP in 1980-81. That was when Congress-I came back to power. But in a decade, thereafter, they rose to 2.8 per cent of the GDP in 1989-90. The fiscal deficit as a percentage of the GDP was: 8.3 in 1985-86; 9 in 1986-87; 8.1 in 1987-88; 7.8 in 1988-89; and 8.01 in 1989-90. I would like to ask as to who is responsible for this fiscal profligacy. Shri Manmohan Singh, who is now our Finance Minister, was also among the top policy-makers during that period. Maybe, his advice was not heeded but how can he blame somebody else? Because of this growing fiscal deficit, the wholesale price index rose by over 9 per cent in 1989-90.

Coming to the most urgent problem of today's situation—the foreign exchange crunch—let us examine how it came about. The total external liability shot up as a proportion of GDP from 11.9 per cent in 1980, to 19.2 per cent in 1985 and to 23.9 per cent in 1989. In other words, in one decade of Congress (I)'s rule, the external debt went up from 11.9 per cent to 23.9 per cent as a percentage of GDP.

SHRI N. K. P. SALVE (Maharashtra): Are the figures in absolute terms?

SHRI S. JAIPAL REDDY: No, in relative terms as a percentage of GDP. I will give the figures in absolute terms, later. The disturbing aspect of the external debt is that a considerable part of it came from the private debtors. I am now trying to examine the nature of the external debt. The World Bank's world Debt Tables 1990 show that whereas India's outstanding debt to private creditors was only 330 million dollars in 1980, it registered a dramatic increase to 8944 million dollars in 1985 and to 21,405 million dollars in 1989. It is needless for me to add that the private creditors charge high rates of interest. Let me refer to the short-term loans which are for less than one year. From 926 million dollars in 1980, they shot up to 3129 million dollars in 1985 and to 4689 million dollars in 1989. As we know, these short-term loans involve very high rates of interest. I am referring to the loans from the official creditors. The loans from the official creditors went up from 7507 million dollars in 1980—around 7 billion dollars—to 31.427 million dollars in 1985 and to 54.726 million dollars in 1989. So in 10 years, our external debt from official creditors including multilateral agencies went up from 7507 million dollars to 54,726 million dollars. This was the record of the Congress (I) regime and I challenge the Finance Minister, who is, of course, an economic expert, to a debating duel on the floor of the House on this aspect of the question. How can he blame anybody else for the foreign exchange prodingality, which this country has indulged in?

Now, they say 'Let us not go into the past; there is no purpose in arguing'. The fact is, they argue that the IMF loan at this stage is inescapable, inelectable. But Madam, this was exactly the argument advanced in the early eighties when the IMF loan of more than 5 billion dollars was negotiated. At that time also, we were promised that the fiscal distortions would be taken care of. The figures which I have do not prove that the fiscal distortions were taken care of once the loan was taken. Who were the policy-makers at that time? The bureaucratic policy-makers during that period were the same as they are today, perhaps. with slightly changed portfolios. I do not know how they, of all the people, could argue now on the same lines.

Madam, we are, today, obliged to live from one IMF loan to another IMF loan. India, as a nation, appears to have become an acute victim of, what I may call, IMF-dependency syndrome. We, as a nation, seem to have developed the Sisyphus complex. When we go to take the loan, we take a vow that we will not repeat the same mistakes. But once we take the loan, we go back to our old ways of squander-mania.

I would now like to draw your attention to three important aspects of the IMF loan which have been little noticed.

One is, the conditionalities which the IMF imposed in the early eighties in regard to fiscal discipline were flagrantly flouted. The IMF authorities never bothered about the virtual violation of its conditionalities. They were violated. Yet, the IMF authorities continued to give certificates of good behaviour to our economic managers. What is the reason? The reason is simple. The IMF is not interested so much in the fiscal correction of the Indian econmoy as in getting the Indian economy opened up to multinationals and their capturing the Indian market.

Secondly, I would like to point out that the IMF credits themselves do not constitute a very large percentage of our external debt. When we talk of IMF credits, we believe or we tend to assume, that they constitute a very large chunk of our external debt. It is not so. It will be very clear from the figures I am going to give just now. In 1980, the IMF credits formed only 4.75 per cent of our foreign debt. Only 4.75 per cent. In 1982, i.e. after we had taken the loan, they rose to 12.5 per cent. It was only in 1986 that they touched a peak of 14.78 per cent of our total debt. Even at that peak, it was only 14.78 per cent. Prior to January, 1991, they accounted for less than 2 per cent of our total external debt.

Madam, we appear to be blowing the foreign exchange crisis out of all proportions. What is the current trade deficit? It is only of the order of Rs. 10,000 crores. In other words, it is only 2 per cent of our GDP. To manage and overcome this trade deficit we are submitting ourselves to the dictates of the IMF. And why to we need IMF loan? It is not for the money. The IMF today has acquired the character of a virtual world government. If we do not get the IMF loan, we will not get loans elsewhere. IMF loan has become a virtual certificate of India's international solvency. In the first place, we squander all our resources. In the second place we submit ourselves to the dictates of usurious money lenders. In the last one month our Finance Minister, who is being looked upon as a financial wizard, has initiated many measures which are considered or described as revolutionary. They include such measures as double dose of devaluation; new trade policy, new industrial policy, reduction in defence expenditure

[Shri S. Jaipal Reddy]

in real terms, reduction in fertiliser subsidy which will go a long way in harming our farmers' interests and also in affecting our agricultural production adversely, withdrawal of sugar subsidy, reduction in Plan outlay in real terms. All these measures were initiated not because they are in the best interests of the country, but because this was the only way to obtain the IMF loan. Today, Mr. Manmohan Singh can turn round and say "Forget the dictates of IMF, these measures are good in themselves". This is only making a virtue of necessity. This is a dangerous kind of intellectual resillience and political subservience.

[**The Deputy Chairman** in the chair.]

Dr. Manmohan Singh functioned as Member Secretary to South Commission which submitted the report in 1990. I would like to quote the report in *extenso* which he himself drafted and the report categorically warned the third world countries against the IMF conditionalities and it took no time for Dr. Manmohan Singh, who is a very sincere man, to stage an intellectual somersault in matters of economic policy. Mr. Manmohan Singh briefing press men after presenting the budget, said that the budget was framed with a view to fulfilling or serving three objectives. First, it was designed to bring about fiscal adjustment with a human face. Second, to encourage economic growth. Third, it would be deflationary. Madam, I am no economist, but it does not require economic expertise to question each of these contentions. Now, let me take the first objective first. He, of course, made some marginal fiscal corrections. But are they substantial? I doubt whether they are even real. The fiscal adjustment which was sought to be brought about was more illusory than real. I am sorry to say that the figures of expenditure have been fudged. Now, there are 81 major heads of expenditure in the expenditure budget, out of which 64 relate to the Central Government and 17 relate to the States and Union territories. Madam, 82.7 per cent of the figures are identical to those of the March 1991 budget. How can the figures be the same as the figures produced by Mr. Yashwant Sinha as Finance Minister, after this steep devaluation? We must remember that even before this double dose of devaluation, our rupee had been devalued since January by more than 22 per cent. In fact, since January 1991 to this day, our rupee has been devalued by more than 50 per cent. In fact, since the day of the double dose of devaluation, our rupee has been devalued by 5 per cent more.

THE DEPUTY CHAIRMAN: Mr. Jaipal Reddy, are you the only speaker for your party?

SHRI S. JAIPAL REDDY: No, one or two may be there.

THE DEPUTY CHAIRMAN: I am asking because you have already taken half an hour. You have half an hour another few minutes.

SHRI S. JAIPAL REDDY: We will try.

THE DEPUTY CHAIRMAN: It is not a question of trying because if you have some other speakers, I would like you to make your speech accordingly.

SHRI S. JAIPAL REDDY: Madam, look at the head of External Affairs Ministry which, all of us know, is a foreign exchange guzzling department. The figure mentioned in March.

1991 was 585.03 crores, and there is no change in the figure in the new budget as well. The same is the case with the Defence and Civil Aviation departments, all of which are foreign exchange guzzling departments. If this is not fudging, what else is fudging? Again, look at the pay and allowances. The total of pay and allowances has been retained at Rs. 12,079 crores and, in spite of the inflation which has taken place and in spite of the inflation which is going to take place from now on, how can that figure remain constant?

Now let me turn to the second objective of theirs, that it is growth-oriented. Madam, for the first time in the last 11 years, this year the growth rate will be less than three per cent. Of course, the Finance Minister did claim....and Mr. Thakur is pointing out from his seat that it is four per cent. This is the claim of the Finance Minister. Even the Finance Minister could not claim it to be five per cent. His claim, artificial as it is, only four per cent. The Finance Minister agrees that the inflation this year will not be less than nine per cent. while everybody in the street knows that it will be much more than 12 per cent, which was the rate of inflation last year. If that is the case, the Central Plan outlay has not been increased in real terms. The Central Plan has been stepped up by only 13 per cent, but only one per cent above the rate of inflation last year. What is worse, the overall capital expenditure—Plan and non-Plan accounts—has increased only by one per cent. On the other hand, revenue expenditure has gone up by eight per cent.

Now let us look at the pattern of the Central Plan funding. The budgetary support for the Central Plan has increased only by eight per cent while by internal and extra budget resources—what is called IEBR—our public enterprises are expected to go up by 17 per cent. This is an extremely optimistic way of looking at the economy.

Our expectations in regard to the yield from public enterprises have never been proved correct. In other words, the Central Plan outlay is going to be much less than what has been suggested. The experience of Indian economy suggests that there is a strong and positive relationship between public investment-cum-expenditure and the rate of the GDP growth. Now that the public expenditure is suffering a decline, we can surely expect a steep decline in the growth rate itself.

Now, coming to the third objective of containing inflation, it was the most important promise made in the Congress (I) Manifesto. I must say that the Budget, far from being deflationary, is highly inflationary. We are surely in for a second successive year of double-digit inflation. What is unfortunate, Madam, is that this year the monsoon is not likely to be so good.

THE DEPUTY CHAIRMAN: Outside it is raining.

SHRI S. JAIPAL REDDY: I wish it would rain more. But what I think, will militate against....

SHRI PRAMOD MAHAJAN (Maharashtra): It is the effect of his beautiful speech.

SHRI S. JAIPAL REDDY: ....the price-control is the double dose of devaluation; the decision to pass on the higher cost of fertilizer to the consumer through higher procurement rates; the withdrawal of the sugar subsidy; the hike in the prices of the petroleum products and the new interest tax on financial institutions.

Madam, as I said earlier, the rupee has been devalued by over 45 per cent since January this year only. It has made India's debt rise by 50,000 crores in terms of the rupee value. Our trade deficit, therefore, is not likely to go down but go up. Our current trade deficit at the end of the financial year will go up, not down. Therefore, we are in for that kind of classic economic situation, stagflation. We will have stagnation plus inflation.

Madam, when the devaluation was resorted to, we were told that one of the advantages of the devaluation would be that imports would get discouraged. But what did the Finance Minister do? He brought down the customs duties, as a consequence of which, in a year of so called severe fiscal correction, we will be losing a revenue of Rs. 820 crores. This has been done only to let the Indian market be exposed to multinationals. This was the only way, this was the price we paid to get the IMF loan.

Now I should come to the black-money schemes. Our experience in the past has not been too happy. The biggest failure in the area of the fiscal effort by the current Government through the current Budget is its failure to tap the source of black money. I charge this Government with lack of political will to tackle this problem. This Government has gone in for soft options. Take the NRI gift scheme. We all know how various industrialists in the country have been laundering their money abroad. The *hawala* market will gain in buoyancy. The Indian money will go abroad to come back as an NRI gift. This is a dangerous scheme. It is not good for the Indian economy.

Madam, now multinationals and big industry are going to be encouraged at the cost of the small-scale industry. The Eighth Plan approach as evolved by the National Front Government was to be employment-oriented. This Budget is going to cut into employment opportunities. There is a reference in the Budget speech to Rajiv Gandhi Foundation. The objectives of the Rajiv Gandhi Foundation are laudable. I have no quarrel with the objectives at all. The Finance Minister has set apart Rs. 100 crores

only. I wish he could have set apart Rs. 1,000 crores, because the objectives cover the whole gamut of India's Plan objectives. Therefore, I have no objection if the figure is increased from Rs. 100 crores to Rs. 1,000 crores, but I would like to find out in all humility without intending to offend anybody's sentiments or sensibilities, how Indian tax-payers' money can be allotted in the form of a Budget grant to a private trust. It is a pernicious precident; it is a scandalous practice, which must be stopped.

SHRI N. K. P. SALVE: There is one very grave misconception. I have nothing to say about whatever objections you may have to money being given, but, Madam, with reference to private and public trusts, there is a very grave misconception in law. "Private" and "public" are relateable only with reference to the objects. If the objects of the trust are meant to cater to the welfare of the entire public, then it is a public trust; but if they are meant to cater to the welfare of a group of people, then it is a private trust. That is the difference in law between the private and the public trusts. In that sense it is not a private trust. That is my humble submission.

SHRI S. JAIPAL REDDY: Who would appoint the trustees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): I would like to confirm that it is a charitable trust registered under the Indian Trusts Act. So, it could not be a private trust.

श्री प्रमोद महाजन : ऐसे बहुत ट्रस्ट हैं, साहब।

श्री एन० के० पी० सालवे : यह और बात है। आपकी जो दूसरी आपत्ति है वह आप कहिए, मगर इसे प्राइवेट ट्रस्ट न कहिए, यह मेरा निवेदन है।...(**व्यवधान**)

SHRI M. S. GURUPADASWAMY (Uttar Pradesh): Where is the need for the trust at all?

SHRI KAMAL MORARKA (Rajasthan): Madam, let me put the record straight. Mr. Antulay's Pratibha Pratishthan was also not a private trust. In that sense it was a publilc trust. But because it was not a Government trust and money was given to Mr. Antulay, the High Court had passed strictures against Mr. Antulay. Rajiv Gandhi Trust is on the same lines as the Pratibha Pratishthan of Mr. Antulay. Let the legal position be clear. (*Interruptions*)

श्री प्रमोद महाजन : अन्तुले के भी वही थे (**व्यवधान**) दोनों ट्रस्ट की एक । ही बात हो रही है ।

SHRI N. K. P SALVE: Mr. Morarka, if you bear with me,

हमारा दूसरा कहना नहीं है, वह खुद कह रहे हैं कि यह पब्लिक ट्रस्ट है । बाकी आप जो कुछ...(**व्यवधान**)

श्री कमल मोरारका : मेरा कहना है कि इंदिरा जी ट्रस्ट जो है वह भी उसी तरह है वह भी पब्लिक ट्रस्ट था और वह इंदिरा जी के नाम पर था, यह राजीव जी के नाम पर है।...(**व्यवधान**)

SHRI M. S. GURUPADASWAMY: Let me make it very clear that we in the Opposition oppose this trust.

SHRI S. JAIPAL REDDY: Madam, my time is being taken away.

श्री चतुरानन मिश्र (बिहार) : यह सभी ट्रस्ट जो हैं वह मिस्ट्रस्ट किए हैं, डिस्ट्रस्ट की कम्पनी बनती जा रही है।

SHRI S. JAIPAL REDDY: I don't intend to engage such a senior learned member as Salve Ji in technicalities. He may be right in regard

[Shri S. JAIPAL REDDY]

to technical aspects. It is a trust privately formed under the Trusts Act. There are hundreds of thousands of trusts formed under this Act. But my question is why should this trust get such money? Who are the members of this trust and will this trust be annually accountable to Parliament? If the working of this trust is not annually accountable to Parliament, how can mosey be given to this Trust? I think, allotment in my humble view—I am not a student of law— is also illegal, apart from being immoral. It is undoubtedly immoral. I am afraid it is also illegal. Therefore, I request the Finance Minister to reconsider this. Let there be a Government foundation named after Rajiv Gandhi, let the allocation be increased ten-fold, let it be Rs. 1,000 crores, but let not the trust be managed by the people who are private and who are permanent.

1.00 P. M.

We cannot allocate the taxpayer's money to a Trust already formed. This is highly objectionable. Madam, this budget, in sum, is against the people of India and is against the farmers and, what is more, seriously compromises the economic sovereignty of the country. India has been pushed into the company of Latin American countries. From this IMF loan we will once again go into another IMF loan. So we must at this stage exercise restraint, tighten our belts. I am not at all impressed by the intention of the Finance Minister in regard to his declared measures of fiscal austerity. When I heard the speech, I was quite impressed but when I looked into the figures, I found there was unbridgeable chasm, contradiction between his speech and the allocations. Thank you.

THE DEPUTY CHAIRMAN: Prof. C. P. Thakur. As I announced last week the decision of the Business Advisory Committee that we are not going to have lunch...

SHRI KAMAL MORARKA: No restriction on lunch.

THE DEPUTY CHAIRMAN: Yes, no restriction on lunch but definitely restriction on the lunch hour.

PROF. CHANDRESH P. THAKUR (Bihar): Thank you very much. It was a pleasure to listen to my friend, Mr. S. Jaipal Reddy. But I thought that he would launch his maiden speech as the Leader of the Opposition with a statement that the season for friendly opposition has started. But I am afraid he has a job requirement and precisely for that reason, he has used a very critical line. He has said towards the end that he was impressed by the Finance Minister's speech but he was disappointed after reading it. My submission is if he reflects deeply and dispassionately, he will again go back to his initial reaction. He will remain impressed perhaps more impressed than what he thinks he should have been. I think it is unfair to say that the diagnosis is partisan, and also unfair to say that remedy is going to be worse than the disease. Now, I submit for the consideration of the hon. Leader of the Opposition that history always does not solve the problems of tomorrow or today. His basic thrust has been that there is a problem. The country is facing a crisis, an economic crisis, fiscal crisis, the foreign exchange crisis. It is good to confess that we have a problem. Who contributed how much is a matter of detail; that is a matter of debate. But can you escape the responsibility that his government also contributed and contributed in a large measure and contributed in an irresponsible manner at a time when the economy was most vulnerable? They had political support from all walks of life, in the sense, both from the left and the extreme right. And their leader was the ex-Finance Minister who had historically contributed in the earlier so-called devaluation or whatever other kinds of reforms in the country. So, who is preaching? The Devil quoting scriptures, something which

we are not used to. But the job requirements for Mr. Jaipal Reddy could be his constraints. He talked about black money and said that the Government had compromised and had not taken deterrent actions. Would' the House like to hear from him what the Janata Dal Government did? Did it do anything to recover even one rupee of black money? So it does not lie in his face to say that enough is not being done or that the Government is compromising with black money. Similarly, he is talking about growth. (*Interruption*). The Approach Paper to the Eighth Plan that his Government prepared was planned with a view to creating job opportunities. But the hard reality is that his Government and the Government following that have delivered a two-year Plan-holiday to this country. Is it not a fact that the Planning Commission was converted into an organisation where political rewards to friends became the primary criteria than professional considerations? Why is it that the Planning Commission did not complete the Plan Document?

SHRI S. JAIPAL REDDY: Who is responsible for the postponement of the Budget which, as now admitted by your Minister, affected the economy badly?

PROF. CHANDRESH P. THAKUR: Prof. Dandavate's Budget was not postponed. What did the Government headed by your leader do with regard to the state of planning? And who were the members of the Planning Commission? What was their credibility? Not each one of them, most of them at least,. .(*Interruption*).

SHRI S. JAIPAL REDDY: The ability of Mr. Hegde is far higher than that of the present incumbent.

PROF. CHANDRESH P. THAKUR: Mr. Jaipal Reddy, the basic point that you made is that your so-called Eighth Plan was promising milk and honey to job-seekers. Your Government is on record. It took a deceitful action. In the election manifesto you have said that the right to work would be a Constitutional right. What steps did you take to convert that promise into reality? How many extra jobs were created? So, it was sot only a political rhetoric, but it was a concrete dishonesty. Look at what you promised in the election manifesto and what was there in the President's speech. And what followed after the President's speech is a systematic running away from the election promises. And ultimately, we ended up with no Plan. You created sufficient situation for the next Government of nine moths not to get off the ground so far as the Plan processes are concerned. At least, they tried better and they did not promise any thing as you did because they had no occasion to formally promise. Now Mr. Jaipal Reddy has the cheek to say—I am sorry—'fiscal profligacy'. Where is the single largest source of burden on the fiscal system? What kind of a havoc you played with the banking structure? Who promised loan waiver? And how much money you gave away in loan waiver? Now, you consult your English dictionary and see what fiscal profligacy means. And what is the most prominent illustration of reckless fiscal profligacy? Is there any precedent? Can anybody stand that? And we have carried forward that promise you made, in the Budget. We have made a provision for that. (*Interruption*). And it is not the end. We will have to continue to budget for the same in the coming years.

Now, you have said that the IMF has become an international sovereign. What is the role of the IMF? People do not lend money because they are friends. They lend money on the basis of your creditworthiness. And today, the IMF's signal is required for the rest of the world to revive faith in the Indian creditworthiness which you have eroded first by talking aloud and irresponsibly from the house-top that the coffers are empty. Even a destitute does

[Prof. Chandresh P. Thakur]

not say that his coffers are empty. On the one side you are saying that the coffers are empty and on the other you are trying to collect resources from all over the world. Secondly, not only you shouted that the coffers were empty, whether they were empty or not, but you took sufficient step to deliberately make them emptier. Ask the then Finance Minister Prof. Madhu Dandavate to compare notes with his successor, Mr. Yashwant Sinha. What did he inherit from Mr. Dandavate? And ask our Finance Minister to compare notes with Mr. Yashwant Sinha. What has he inherited? So, if you go into the history, the recent history also, that will help your memory. That will also help in moderating your reaction to the Budget proposals and taking a more mature, responsible and national-oriented posture towards cooperation and the enthusiasm behind cooperation, so far as economic reforms are concerned. I am glad that he has taken note of three crises, fiscal deficit, price-rise and foreign exchange. Let me remind him. In 1977, when your party came to power, what was the price situation? And when you left, what was the price situation and when the Congress came back to power after your interregnum, what was the track record of the Government? What did the Government do? We are reasonably hopeful that whereas you have repeated the history of 1977 in the last two years by creating a situation where the price rise pressure is going up and we have already crossed roughly 12.5 per cent 13 per cent, the way we handled the post-first Janata experiment fiasco, we are going to handle it the same way again this time if not better. When the Finance Minister says that the price rise is going to be around 9 per cent in the rest of the financial year, there is enough basis that this Congress Government has demonstrated its capacity to manage the economy in such a way that the price situation can be rolled back. So far as the vulnerable section is concerned, we have, in our election manifesto, promised ten items. Kerosene and diesel are the vulnerable items. But in case of kerosene, a deliberate step has been taken and the duty has been slashed and there is a promise that the price will be rolled back.

Now he read out some of the measures that the Finance Minister has taken—the repeated double dose devaluation etc. The fact is that there was exchange rate situation not in line with the market. So far as Indian rupee is concerned it had to be brought to a realistic level. After all, the external price of rupee is a function of supply and demand of rupee in the international market. By artificially pegging it high, you are creating problems for yourself. It does not solve the problem. Of course, under the floating exchange rate situation, the price gets adjusted partly but it needed realignment substantially and what you call double dose. Of course, there were two steps and perhaps, it could have been done in the first step. I concede that point. Maybe, the Finance Minister wanted to have your reaction first and then go about it further. But ex-post facto judgment is that is the exchange value of rupee is more realistic today. Are you suggesting that it should have been retained at the same level? Reflect on that and then react.

Luckily, you have not said anything against the trade policy. You have taken note of the development and to that extent, it is a tacit approval. (*Interruption*). You also welcomed the industrial policy perhaps. I take note of that.

SHRI S. JAIPAL REDDY: I did not have time and I did not refer to that.

PROF. CHANDRESH P. THAKUR: Silence means consent at least for the time being.

SHRI S. JAIPAL REDDY: We will discuss them separately.

PROF. CHANDRESH P. THAKUR: Now you have talked about fertiliser

subsidy. Let us face this fact. The fertiliser subsidy was a dead load on the economy. Subsidies must have economic rationality and all steps which you take may have historical rationality at some point. But simply because you gave one, they do not remain rational. They become irrelevant, and the fertilizer subsidy is a good case where initially it was needed. It served its purpose. It has delivered among other things a kind of vibrant rural economy in the Green Revo'ution area. But let us go heep into that. What is now the productivity of the agricultural sector in the Green Revolution the prime beneficiary of the fertilizer subsidy? Is it going up or has it reached a plateau or not? who are the primary beneficiaries? Do they pay income-tax? Are they not the beneficiaries of frequent procurement price rise, twice in the previous Government? Of course, you had your voters to reward. Political compulsions you had to face. Fortunately or unfortunately, it has not helped you in this round of election. But in previous round, it had helped you. The other part is that is there other kind of subsidy for the agricultural sector? If you want agricultural sector to flourish, we need capital intensity in terms of infrastructure development in rain-fed agricultural area, in dry land farming area arther than continue to pamper a prosperous class a virtual rural kulak class has emerged which does not pay taxes, which does not allow the ploughing back of surplus through the banking channel, which does not allow a ploughing back through the capital market. They don't believe in all those things. So whatever the surplus that is generated there is converted into conspicuous consumption which is inequitous, which is ecnomically unacceptable and to the extent that the withdrawal of fertiliser subsidy is going to reduce some of these things, it should have been welcomed and welcomed heartily, political costs to your friends notwithstanding. I think on occasions we need to look at the problems from the national point of view rather than the politcal constituency that we represent. The same is true for subsidy for sugar. Who are the beneficiaries of the sugar subsidy? Three hundred fifty crores of rupees that we are going to get in terms of savings, it is for you and me... (*Interruption*)...I do not take sugar. but even if you take, you can afford to pay or at least your party can help you to pay the bill for the sugar. So it is definitely inequitous. Here is an element of subsidy to the urban PDS group which was the beneficiary of this sugar subsidy...

SHRI JAGESH DESAI (Maharashtra): That is not true. Sugar is given to all. It is not only for urban people. I take strong objection to this. Sugar is given in the rural areas also on ration cards. So don't blame that it is only the urban people who are getting the benefit but it is all the ration-card holders throughout the country who are getting sugar...

THE DEPUTY CHAIRMAN: At least the diabetic people are going to get the benefit, nobody else.

SHRI S. K. T. RAMACHANDRAN (Tamil Nadu): Madam, the diabetics have more craze for sugar...

PROF. CHANDRESH P. THAKUR: Madam, I accept what my friend, Jagesh Desai, has said. I also know that he himself does not take sugar. It is medically prescribed... (*Interruption*)... Let me put the record straight. In theory sugar is available to everybody, but if you take the total consumption, the public distribution system benefits primarily the urban sector.

In the rural areas, the public distribution system has a virtual non-existence. If it is brought to the benefit of that, we welcome it. We know more sugar is consumed in the urban sector and by that more subsidy money is diverted to a relatively affluent urban class which is inequitous, in my judgment.

[Prof. Chandresh P. Thakur]

Now he has talked about the Plan allocation. The fact remains that even in the context of a deep economic crisis the financial allocation for the Plan has been retained, as proposed in the Interim Budget. We realise in real terms it is going to be less. But the fact is that we must compliment this Government that we have cut corners here, there and everywhere to see that the Plan allocation which the previous Government in its wisdom made is protected. So far as our own thinking on planning is concerned...

SHRI S. JAIPAL REDDY: I referred to non-plan items. I referred to...

PROF. CHANDRESH P. THAKUR: The reduction in Plan allocation in real terms.

SHRI S. JAIPAL REDDY: Of course, in real terms.

PROF. CHANDRESH P. THAKUR: In real terms it is certainly going to be less because of the price-rise, but you must give compliments to the Government that despite the fiscal crisis and all other problems, despite the fact that our own planning programme is still on the design-board, because we have announced that the Eighth Plan is to begin from the 1st of April, 1992, because two of you have delivered a two-year Plan holiday to this country, the very fact that we have allowed that much to be retained will protect the growth impulses. But more important, within the Plan allocation, priority has been given to the rural sector and to the agricultural sector.

You talked about employment. You promised milk and honey. How many jobs you created, I leave it to your wisdom. We have promised in the rest of this financial year—to give an illustration of the human face that you deride—900 million man-days of jobs to be created more in the rural sector and the agricultural sector and that is why the Plan allocation is tilted in favour of the rural sector and the agricultural sector. That was one of your election promises. How much of that you delivered in terms of stepping up of investment for the rural sector, I leave it for your wisdom to reflect. Now, it is not only the rural sector, the agro-industries that is going to benefit. The social sector, such as education, health, etc. will ultimately generate additional employment opportunities here. Madam, our friend talked about public enterprises. We have faithfully carried the logic of what Mr. Yashwant Sinha proposed with regard to public sector, that is 20 per cent of the shares will be off-loaded. Not to the private sector. Disinformation is being propagated which is highly disturbing. It is simply being handed over primarily to the mutual fund, public sector mutual fund. It generates fiscal resources. No doubt about it. Then your Government talked and even now your leader talks about workers' participation in the management. Public sector reforms include two other measures; one is its shares would be given to workers. Now, I ask an honest question: Is it not a good way to generate workers' participation in the management? If a worker is only a wage employee he would not react. But if he has a share there and he has a dividend interest there, then his response to the maangement reforms is likely to be a lot better, much more enthusiastic. (*Interruptions*).

SHRI SUKOMAL SEN (West Bengal): Mr. Thakur, you are a professor. This is a pathetic defence of the budget.

PROF. CHANDRESH P. THAKUR: As it is, Sir. I hope what I am saying is going down into your thinking. You reflect on that. I hope it is not falling flat. Apparently, you are an intelligent person. More often than not I have seen you reacting intelligently. (*Interruptions*).

SHRI SUKOMAL SEN: Compassionately I am enjoying.

PROF. CHANDRESH P. THAKUR: You are also a friendly opposition. Do

not forget about that. Now, the second thing about the public sector enterprise that we are suggesting managerial reforms, through the memorandum of understanding. This Government feels that there should be much greater transparency in whatever course correction is being made in the management of public enterprises. So far it was the Bureau of Public Enterprises which handled the memorandum of understanding. Now it will be a public document which will be presented on the floor of Parliament and we will have opportunity to react and make submissions for improvement and the Government in its wisdom will accept whatever good suggestions you will make. So it is not that the public sector is not being retained. What we want is that public sector should contribute in a healthy, vigorous, efficient way. Public sector is expected to contribute substantial plan resources by generating surplus. (*Interruptions*). Its shares are not going to the private sector, it is a mutual fund. What our friend Mr. Kamal Morarka has said is he would not like it let down, we agree with him. So that is one thing. We did not want it to go to private sector. We certainly do not want to dismantle the public sector. All that we want is to generate resources and bring course corrections. Part of it was being passed on to mutual fund which the earlier Government was actually doing. We have carried it one step further when the workers have been promised a share in the public sector and as a result we will try to implement your false promises of promoting workers' participation in the management. Please permit me to say one thing. Promises apart, taking a concrete step is quite another thing. Please think about that. Are we doing something which you ought to have done or should people continue to wait for some time in the future when, if ever you come in power? Now, he has made a tongue-in-check complimentary remark to the Finance Minister for his intellectual resilience and political subservience. If it is directed towards the IMF, did not you make any contact with the IMF? Did your Government make any contact with the IMF at all or not? The newspaper from which you are quotting, *The Economic Times* of today, you read the second editorial of *The Economic Times* today with the heading called "Exposed". If you did not have time because you are getting late, go back and after dinner read that. And then see what the Government has done. Your Government had a deal with the IMF and your successor-Government...

SHRI S. JAIPAL REDDY: If you will kindly yield I wish to make a correction. Even during the NF Government loan was taken from the IMF but that was a regular loan which did not involve any negotiation in regard to conditionalities.

PROF. CHANDRESH P. THAKUR: Anyway, some confession is better than no confession. Now, so far as the current situation is concerned, negotiations with the IMF are yet to begin, there has been no negotiation so far. But the fact of the matter, the Finance Minister is on record, he wants to take the Parliament of India into confidence first before going to the IMF. And we must compliment him that he has not succumbed to the pressure of the IMF. There was no pressure in the first place and there was no occasion for him to succumb to. And in his own judgment, in the judgment of the Government of India, if certain course corrections are to be made through reforms—whether they are trade reforms, industrial policy reforms or fiscal reforms or rate of exchange adjustment—let us not look for the ghost. And what are you talking about directives? Whose directives and from where and for what? The real question is: Are some of these steps required or not? If the economy is facing a crisis, thanks to the

[Prof. Chandresh P. Thakur]

gift that you made to us, certain steps have to be taken. And you yourself said, they are inescapable. Now, you cannot go on two-tracks; one that steps were necessary and the other that why you contacted the IMF. The fact is that the IMF and World Bank team is expected to be contacted later this week. So don't look for the ghosts. Don't be paranoid about that. There is no question of a political subservience. I am quite sure the Congress Government will stand on its feet, take on any pressure, any challenge. There is no question of succumbing to anybody. We don't want our independence to be backed by a bankrupt economy, by a sick economy. We want our independence to be backed by a strong, vigorous and healthy economy. For acquiring that some of these steps are inescapable. I am sure the previous Government in its own wisdom would have taken these concrete steps, but their total life span became so very limited. Actually during that period also things deteriorated. (*Interruption*) For improving the situation there was no other way. They were trying to persuade international agencies to come to their aid. Marginally they also went there. I must tell you the time for political rhetoric is over, the time for partisan politics is over. Also this is the time for friendly opposition because it is a national service we are doing. When we come to elections we will do the other thing. For the first time in recent years economic reform has been given the topmost priority in the political arena and that has shown the wisdom of the Indian political system. Let it be a national exercise beyond partisan politics. Let it be a responsible political opposition whereby we are all party to the salvaging of the economy from a deep crisis. Once the economy is restored to health, then we will have our time for political differences or slogans. Now let us ask one question...

THE DEPUTY CHAIRMAN: Prof. Thakur, how much time will you need more?

PROF. CHANDRESH P. THAKUR: I need all your grace and generosity.

THE DEPUTY CHAIRMAN: My grace is with you all the time but the time is not with you.

PROF. CHANDRESH P. THAKUR: So far as our creditworthiness and the budgeting is concerned, I do not know whether you have seen the report, the brief report of the various rating agencies. They have never said that the fundamentals of the Indian economy are not in good shape. They have in a very plain language said that the risk is political. And what are the ramifications of that political reason? "Search your soul". Why did the whole production process come to a grinding halt? Why could the produced commodities not be transported from the production point to the point where they were needed? Who brought about this social crisis? Who carried the politics of India to a low level of political confrontation? A healthy economy was converted into a total shambles. A creditworthy country, a country which had a triple "A"—rated creditworthiness, was identified as one having empty coffers. Now, you have studied economics and yet you created such a confusion in the country. But then nothing worked and how much we all had to pay for it? Did you gain anything out of the political tamasha that you played during your tenure? Did the country deserve it? Anyway, belated wisdom too will prove to be a national gain and it may be a political gain for you too... (*Interruptions*).

SHRI CHATURANAN MISHRA: Professor, will you yield to me?

PROF. CHANDRESH P. THAKUR: If you say the right thing I will yield.

SHRI CHAURANAN MISHRA: You may just yield to my speaking and not to my economic policies. I am reading it out to you from the Econo-

mic Times: "Prof. Houthakae told the *Econonic Times* on Monday that a current figure on the Indian economy suggested that supply of its exports is inelastic and, therefore, far from boosting the exports, devaluation at this stage will entail a net loss to the country." This is from a Harvard University Professor and not from Moscow, nor from Beijing nor Phillippines nor from the "Ajoy Bhavan". This is the situation. (*Interruptions*).

THE DEPUTY CHAIRMAN: Now, Mr. Mishra you can speak in your turn. Don't interrupt.

SHRI CHATURANAN MISHRA: Madam, he has yielded and I will just take a minute. It is a report from the IMF. The report says that the poor people have been hurt by the policies the Fund had pressed on the third world countries such as devaluation of currency, cut in Government expenditure, in relation to countries like Chile, Dominican Republic, Philippines and other countries. This is an IMF report and not mine. It is not me who is saying all this. This is from the horses mouth.

PROF. CHANDRESH P. THAKUR: Thank you for bringing that to our notice. But there is nothing new in it. Madam, a reference was made by Shri Jaipal Reddy to the multinationals. I do not know in what context he had made that reference. The position in the Government policy with regard to multinationals is very clear. An empowered committee will be constituted and the committee will negotiate with the multinationals. This will give us three advantages: (i) access to the state-of-the- art technology; (ii) penetration into the overseas market through their marketing network and (iii) advantages of their superior managerial capabilities that they make. So it is not an open-ended thing. It will be 100 per cent export-oriented. Today. the position of Indian economy is that we did not follow the export-led growth, but we want to move on to the growth-led export situation. Efficiency is brought through technology aid, managerial improvement and marketing support, and we will convert it to our advantage. I would like to submit that the Indian Government and the Indian economy are in a position to take on the clout of the multinationals and convert it into an opportunity. Madam, on the positve front, I think this budget needs to be commended because we are making a beginning in correcting the crisis, the fiscal distortion, that we have had so far. The fiscal deficit is sought to be reduced from 8.4 per cent to 6.5 per cent and revenue deficit is also sought to be reduced by one per cent. I think, in all fairness, the Finance Minister needs to be complimented for these concrete steps and for adopting these course correction methods Non-Plan expenditure this year is planned to be brought down by 4.9 per cent this is a concrete step. Your Government and the one previous to that had also promised that you would cut down the non-Plan expenditure. But they were all cosmetic steps and nothing could be concretely done. Here is a concrete step. If you reduce the non-Plan expenditure this year and subsequently also, then our promise of reducing it by ten per cent is going to come true in the time period that we have.

Then, the infrastructure has been protected in the sense that—there are two aspects in this—power and the related things have been opened up to the private sector to supplement the national capability in power, road, and other things, and in respect of the other things the allocation has been stepped up; at least in the critical areas it is protected. We would, therefore, like to submit that this Budget can be termed as an equitous Budget. Firstly, there is a greater effort to generate resources from direct taxes, particularly corporation tax, rather than from indirect taxes because indirect taxes are more

[Prof. Chandresh P. Thakur]

inflationary and hurt the poorer sections more directly than the richer sections. If you look at the Excise duty structure, you will find that there is a definite attempt to ensure that the incidence of new levies is more on the luxury items like colour TV, refrigerators, air-conditioners, etc. and it will hurt those who can afford to get these things and their economic vulnerability is hardly affected. These things constitute conspicuous consumption and so, they can add to the revenues. The exemption in the Excise duty has been more directly related to the items of mass consumption where the people stand to benefit.

To the extent this Budget tries to give positive opportunities to the NRIs, it is welcome. I would like to be fairer to the non-resident Indians than what my friend has been. It is good to be Indian, whether you are resident or non-resident and. as Indians, they are interested in promoting India and the Non-Resident Indians have been given opportunities and channels through which they can help India without adversely affecting their own interest. They can do this in two ways, one, by direct remittances and, two, contributing to the Fund that the SBI is going to start. If it is said that there will be laundering, that the money is taken away and brought back, well, here is an opportunity for cleansing it and if it comes from that route, it should be welcomed.

[**The Vice-Chairman** (Shri M. A. Baby) in the Chair.]

SHRI S. JAIPAL REDDY: If it encourages further laundering of money, how can that be welcome?

PROF. CHANDRESH P. THAKUR: At the moment, we are interested in more foreign exchange and a positive opportunity has been given to the NRIs to do what they have been promising to do, to seize this opportunity and be Indian in a demonstrated way without compromising their own economic interests because their money is hard-earned money and we have to utilize it in a rational way. Here is an opportunity for them, given the rate of exchange and the other things, for them to take advantage of.

Now, what did your Government do with regard to the Indian entrepreneurs? How much money did you promise to collect by way of taxes and how much you have ended up with? What was the fiscal revenue accrual compared to the Budget estimate? Was it administrative inefficiency or was it a case of connivance with the tax-paying prosperous industrialists? For the first time in the history of India, there was a shortfall in the revenue accrual compared to the Budget estimates to the extent of Rs. 800 crores. What we are doing is that we are asking the Indian entrepreneurs to acquire credit, take the opportunity to help in the creation of wealth, benefit themselves and benefit the country. There is going to be no compromise so far as the tax proposals are concerned. Their implementation will be very firm—at least a lot more firm than what your administration really did, and to that extent the black money hoarders are given one more chance.

SHRI CHATURANAN MISHRA: As if there is lack of such chances,.... (*Interruptions*).

SHRI JAGESH DESAI: One more. What is wrong?

PROF. CHANDRESH P. THAKUR: I would like to go on record that the black money hoarders should not misunderstand this and if they do not take advantage of that the Government has powers and will to come heavily on them and they will regret if they do not take advantage of this chance and come out with mo-

ney, clean their conscience and contribute that partly to themselves and largely also to the priority sector needs, that is, slum clearance and housing for the poorer section.

He did not mention anything, though I thought he would. But I am sure our other friends of West Bengal are going to say that: what is going to happen to Centre-State relations? This Budget has consciously protected the interests of the States. In the transfer of resources the net gain is going to be more in the State sector. The one point agenda of some political parties is that the Centre is creating problems in the States. I would like my friends, particularly from the Oppositiion ruled States to take note of this concrete gesture, because we want that States are as much a part of the nation-building as the Centre is. In no circumstances the change in the political complexion of a State Government is going to compromise with its larger role in Centre-State cooperation in nation building activities.

Now, a few words with regard to the human face. We are going to have a structural change in the economy. We are going to have a reconstruction of the economy. We are going to modernise it. And as as result certain dislocations are likely to follow. No change is without pain. But the whole question is, is there a cushion for those who are going to face the change or not? It is here, Mr. Vice-Chairman, Sir, that I would like to draw your attention to the fact that a very imaginative scheme has been introduced: National Renewal Fund. In all situations of reconstruction of the economy, restructuring of the economy and the modernisation of technology, dislocation takes place. And in the first round, dislocation affects those whose skills have been made obsolete or jobs eliminated. Now, they are our national assets. The human capital is of the country. So you can renew it and re-absorb it; it is a national agenda, The massive programme for re-training and re-absorption is planned to be funded, in which we hope that just as the Centre the States will also join hands. The National Renewal Fund details are going to come. When these come, it will be a real positive step which will reduce the shock and the consequence of the change and it will re-cycle that human capital through renewal and re-absorption process.

Now, you create social disharmony. You put your country on fire. Here is a case through the Backward Classes Commission. Here is the case of victims of social disharmony like communal tension—the most unfortunate victims. This Government has gone ahead, gathered courage, thought positively and come out with a concrete proposal that there will be a foundation to look after the interests of riot victims. You and your friends create riots and the families suffer. We are going to look after the children. We only hope that you and your friends do not create these social tensions and families and children do not suffer. Even if they suffer this Government is going to look after their interests on a priority basis.

Here is something which should have been taken note of in a positive way in the season of national consensus that we have, that we are talking about. Then, women and children have always been a disadvantaged group, and the Government schemes are going to take a priority note of their needs and allocate resources accordingly. Now, I do not know how many houses your Government constructed and how many slum were cleared. But housing for the weaker section is a priority agenda for this Government, and even the black money is going to be made white provided they go through the National Housing Fund and that kind of things. What do I say? I mean, it seems to me that my friend Mr. Jaipal Reddy should be given another chance to make his representation. And this

[Prof. Chandresh P. Thakur]

time, if he does, he will have better facts, will feel more persuaded.....

SHRI KAMAL MORARKA: I will answer that.

PROF. CHANDRESH P. THAKUR: Okay. All said and done, Mr. Vice-Chairman, Sir I would like to say that most of these criticisms are unfounded. They are still living in the age of partisan politics. They are not fully seized with the nature of crisis and their own contributions in that crisis. They are still not appreciating the positive elements of the Budget, whether they are fiscal corrections, whether they are the developmental programmes whether they are the ones which would relate to the reforms in the industrial policy or the opportunities for the Indian entrepreneurs to come of age and take the challenge of creation of wealth or the opportunity for the non-resident Indians to contribute their best without hurting their own interests so far as this nation-building activity is concerned.

With these words, Mr. Vice-Chairman, Sir I would like that we have the unanimous support to the Budget.

SHRI E BALANANDAN (Kerala): Mr. Vice-Chairman, Sir, with your permission, I propose to oppose this Budget tooth and nail. Sir, even before the Budget was formally tabled in this House, the learned Finance Minister, Dr. Manmohan Singh as well as the Prime Minister had given an incling of the contents in their bag. The revelation made during the first few days of office was indication enough of the things to come. These were not just pointers, but let me say that the Finance Minister was preparing the ground and preparing the nation to digest the stark reality that he placed here on the 24th The reality is, in spite of Dr. Manmohan Singh being the Finance Minister, the Budget has been tailored by the IMF, or to put it mildly, tailored to suit the IMF. Dr. Singh told us that the IMF had nothing to do with the preparation of the Budget. But, Sir, we all know that the present Budget is prepared under the full guidance of the IMF officials. The 'Hindustan Times' of July 22, reported on the front page. and with your permission, Sir, I qoute: "The Budget for 1991-92 is the first full Budget being drafted under the guidance of the IMF and the World Bank, and the Finance Ministry has very little flexibility."

Therefore, Sir....

SHRI RAMESHWAR THAKUR: Sir this is a very wrong statement being given. He may say many things against the Budget. But to say that it has been done by the IMF or under their guidance is completely untrue. This is motivated. And this is not the kind of thing we expect from the enlightened Member.

SHRI ASHIS SEN (West Bengal): He has quoted.

SHRI E. BALANANDAN: It is not my statement. I have only quoted from the Hindustan Times dated 22nd July and they said: "The Budget for 1991-92 is the first full Budget being drafted under the guidance of the IMF and the World Bank and the Finance Ministry has very little flexibility". This is not Balanandan's statement this is the report appearing in the Hindustan Times. Therefore, even though you were kind enough to deny that this is not true, in the prescription you have given while dealing with the issues we are confronting, you have completely agreed to the conditionalities proposed by the IMF on our economic policies.

The present Budget claims that the GDP will improve by 4 per cent and the fiscal deficit which today is to the tune of 8.4 per cent will be brought down to 6.5 per cent by the end of the year. Without contending the veracity of this claims, I would like the Finance Minister to take into ac-

count the fact as to how the present crisis facing the economy has been brought about. The IMF loan which was taken in 1981 to tide over the payment crisis at that time, I would say, is responsible for the creation of the present situation. Under the dictates of the IMF we opened our doors to multinational corporations on the plea of liberalisation. The spree was heightened during the tenure of late Shri Rajiv Gandhi in the external debt reaching an astounding figure of Rs. 69,608 crore in 1989 while it stood at Rs. 25,800 crore in 1985. That is because we followed the line prescribed by the IMF.

The Finance Minister, in his speech says: "The time has come to expose Indian industry to competition from abroad in a phased manner." In his Budget he has not only talked of and brought forth financial propositions, he has also projected how the industrial policy of the Government is going to be now handled. He has explained how the phasing is to be carried out in future. Dr. Singh wants us to believe that the Indian industry is not presently facing competition from abroad and that it is the lifting of some hurdles before the multinationals which would make the Indian economy and Indian industry vibrant. Let me bring to the notice of the Minister, through you, what the Associated Chamber of Commerce and Industry of India have said. This is the publication of the Chamber and this is what they have said in the introductory Chapter quote: "Today, we are self-sufficient in our requirements of food, clothing, wide range of consumer durables and medicine. We are, by and large, self-sufficient in our requirements of transport and engineering goods, heavy and fine chemicals, petrochemicals etc. Much of the technology and machinery required for establishing a steel plant, cement plant, sugar plant, fertiliser plant, major petrochemical plant, oil refinery, thermal power plant etc. is available from indigenous sources. We have developed a vibrant capital market and a strong financial system". This is the statement made by the Associated Chamber of Commerce. They have stated that we have achieved this status in the country. When this is the reality, why should they open doors for multinationals in these very sectors? If our hon. Finance Minister would like the Indian industry to compete with the multinationals, let them compete in the international market. Why the Indian market? Even so, it is an uneven competition in which, contrary to the Minister's claim, the Indian industry would be the loser. As you know, we have established certain infrastructure facilities, industrial devedopment and R&D recently. Now, the Government is allowing competition from the multinationals using the latest technology. How can the goods produced in India be able to compete with the products being produced by the multinationals? It is the economists' view that India cannot stand this competition.. The Finance Minister reveals that the public sector has to be dismantled and it should be given to private hands. Our first Prime Minister, Pandit Jawaharlal Nehru, said the public sector will enjoy commanding heights. The public sector's role at that time was to help capitalist development in the country. As the private sector, at that time, lacked both the resources and the know-how to man these industries in the core sector, these were left to the public sector. Now that the private sector in India and the international monopoly capital abroad are willing to take over these sectors, the Government is willing to hand it over to them. It is these public sector industries that laid the foundation of the Indian economy. it is they who provided the infrastructure and it is they who made us self-sufficient in many things. Now the government intends to hand over the same to private hands on a platter.

[Shri E. Balanandan]

The Finance Minister claims that the Budget will not increase inflation. He himself contradicts this. I refer to Page 15 of his speech which says: "....issue price of sugar under the Public Distribution System will be increased by 85 paise per kg... the price of motor spirit, domestic LPG and aviation turbine fuel for domestic use will be raised by 20 per cent". If these are not price rise, what are they? He had earlier stated that devaluation will not lead to price rise. But the price of each and every essential commodity in the market has been increased since devaluation. The Finance Minister himself stated in his speech that price rise would be controlled at a maximum of 9 per cent. The hon. Minister wants market forces to work even while stating that controls will be exercised.

The Budget does not seriously deviate from the earlier line of leaving the wealthy untouched. It has not changed the direct levies on the income and wealth of the rich and only made a marginal increase in the corporate taxes. There is only some marginal increase in the corporate tax. The Finance Minister has made an across-the-board increase in special excise duty. It will be to the tune of Rs. 1,000 odd crores. This burden has to be borne only by the poorer sections of the society. The price hike in the case of petrol, LPG, sugar, the proposed increase in the procurement prices and consequent increase in the issue prices of foodgrains, the impact of the general increase in the prices of imported goods and machinery due to devaluation, the deficit financing to the tune of more than Rs. 7,700 crores, all these will definitely induce price rise which will go beyond last year's average.

Nine per cent is the target fixed by the Finance Minister in regard to price rise. As a consequence of the steps already taken and proposed to be taken by the Government, it will be more than 12 per cent, beyond last year's average. Therefore, the target of the Government will go awry. I am not relying on the figures given either by the Finance Minister or from any other source. But the Finance Minister, while claiming that he will not 'fudge' with figures, does quite the contrary. Before presenting the Budget, the Government effected devaluation of the rupee. It effected increase in railway freight and fares. As a consequence of these two measures and the Budget levies, there is going to be higher inflation. But where is the provision for additional D. A. to Central Government employees? The figures given by the Minister are on the basis of D. A. given in March, 1991. Does the Government imply that it will not release additional D .A. to its employees? Out of the 81 major heads of expenditure, only in the case of seventeen, the Finance Minister has made provision for adjustment against devaluation, increased railway freight and fares and inflation.

2.00 P.M.

The Finance Minister announced that the Government would establish a National Renewal Fund, with a substantial corpus, to protect the workers from the adverse consequences of technological transformation. By this, he has subtly admitted that consequent to the measures initiated by the Government the entry of multinations with ultramodern technology — there is going to be large-scale retrenchment of workers, besides those from the sick and closed units. Without even specifying the amount to be set aside for this purpose, he wishes to provide ameliorative measures for the affected workers. Thanks to the policies that his Party and predecessors have pursued already, 2,40,000 industrial units in the country stand in the sick list. The Finance Minister, however, has avoided mentioning the target that they are aiming at. Besides, how does

the Government propose to achieve the target of 4 per cent rise in the GDP, when closures and lock-outs will be the order of the day? What the Government will be achieving is only this. A large number of people will join the ranks of the unemployed, a large number of people will go below the poverty line, whatever may be the jugglery they can do with the figures.

In order to justify the dillution of the public sector concept, the Government and the big monopolistic Press talk about the efficiency of the private sector. But this claim stands exposed when we see that 2,40,000 industrial units, — big, medium and small — are in the sick list and these are wholly — owned by the private sector. But this claim stands Rs. 8,000 crores borrowed from financial institutions. Specific studies conducted about the sickness of industries have revealed that this sickness was becasue of mismanagement, corruption, etc. Therefore, there is no justification for the wholesome opening of the public sector to the private sector. But the Finance Minister has very little flexibility and has to obey the World Bank dictates.

Without going into the specifics of what the Finance Minister has presented, I would like to say that it is not going to achieve what the hon. Minister would have us believe, but the achievement will be quite opposite. Our external liabilities will increase manifold: the indigenous industry will be crippled, recession and inflation will be witnessed: closures and retrenchment will be there on a large scale: poverty and unemployment will increase and finally India will be waiting for a multinational takeover of its economy.

I do hope that the Finance Minister has heard of Peru. What about Brazil? But surely he should know of Argentina and Mexico. Soon in the long list of such countries, India too will find a place, a place of prominence, being the second most-populated county in the world. These are the countries that met the IMF 'prescriptions', or in other words, obeyed their dictates and found themselves being led into a debt trap. By opening up the Indian economy to multinational penetration, the Government wants to take India on to the international map. But countries which claim to have higher GDP — the USA, Japan, Germany, etc.—are countries which have a strictly regulated economy where foreign penetration is not allowed.

The Finance Minister should be aware of 301 and Super 301 of the American Trades Act. What are the Gatt and patent laws? While protecting themselves under the cover of these umbrellas, multinationals and their imperialist governments seek to loot third world countries like India, governments of which unfortunately are ready to bend. It is the economy which decides the polity.

The steps now being taken, viz., scrapping of MRTP Act, delicensing most of the industries, permitting multinationals to hold majority shares in several sectors, scrapping of the public sector systematically, will definitely pave the way for multinational monopoly domination of our economy.

The automatic clearance of foreign technology tie ups will subvert the indigenous technology and lead to closures and sickness in a big way. Now in the budget the Finance Minister suggested a committee to go into the problems of banking in the public sector. The terms of reference of this committee have not been set, but is he going to examine whether the credit deposit ratio of the nationalised banks in all the States will be equitably distributed? Is this question going to be examined? The average credit deposit ratio is 60 per cent but in the case of West Bengal it is only 50 per cent. In the case of many other States it is very much lower. Is the Government, through this committee, go-

[Shri E. Balanandan]

ing to examine whether this credit deposit ratio is on the correct line? As the newspaper report goes, privatisation of public sector banks is also in the agenda. After this Committee's deliberations it is going to be implemented. I am expecting an answer from the hon. Finance Minister on this.

Then, Sir, the Congress(I) manifesto has said many things, but the prescriptions given in this budget by the learned Finance Minister in many respects agree with the manifesto of BJP Though these points may be there in the Congress (I) manifesto, these points are explicitly and clearly there in the BJP manifesto.

With your permission, Sir, I would like to quote one or two sentences from the BJP manifesto:

> "The core sector of our economy will be MAN."

Vey good!

> "State should retreat from commercial activities and, instead, concentrate on basic functions such as maintaining law and order, justice, welfare programme, infrastructure, etc."

> "This is the duty of the Government. Government shauld not do any business. Government should not enter into industry, etc. Government should only look after law and order, justice and infrastructure."

This budget completely agrees with the proposal. The list of items of industries which are manned by the public sector are all taken away except those sectors to develop infrastructure and the rest are given to the private sector.

At another place in this manifesto they have said:

> "Apply MRTP to business houses with assets value crossing Rs. 1,000 crores and more; or with more than one-third of the market share."

Therefore, they wanted the limit under the MRTP Act to be raised to Rs. 1,000 crores and Dr. Manmohan Singh has outdone that. Now he has declared to change the MRTP Act itself. Therefore, all the controls on the monopolists have been withdrawn. So this BJP manifesto is completely implemented, more than the manifesto of the Congress (I) is being tried to be implemented, by the Finance Minister of the country.

Sir, two days back while we were discussing the question of Shri Rajiv Gandhi's murder, our Home Minister had said that we had to examine whether international agencies are at work in the ghastly murder of Shri Rajiv Gandhi. You know how, in India, the American imperialists are at work and how they are encouraging terrorism in Punjab and Kashmir. For what they want to dismember the country, they want to break the country into pieces. Now, Dr. Manmohan Singh, a onetime employee of the World Bank and presently our Finance Minister—he is a great man and I don't want to ill-treat him—might be an expert, but he has done what the imperialists wanted. They wanted to control the economy of the second biggest country in the world, which has been facilitated by the budget which has been presented by Dr. Manmohan Singh. This is my allegation. I am fully conscious of what I am talking. The situation is so serious that if the flood-gates of India, in the name of amalgamating with global economy are opened to the multinationals, then we will become only their junior partners, and our independence cannot be protected by opening the floodgates of India to the big multinationals of the world.

The Government, which lacks a clear-cut majority in Parliament, is

seeking to hand over the gains of the freedom movement, the development hitherto achieved by the sweat and toil of the working people, to multinational corruptions and imperialism. This is an onslaught against the country's self reliance, its sovereignty, its freedom and its democracy itself. It is on these counts that I, on behalf of my countrymen—the toiling millions who constitute the real India—oppose this budget tooth and nail.

With these words, Sir, I thank you.

[**The Vice-Chairman (Shri Bhaskar Annaji Masodkar**) in the Chair].

SHRI A. G. KULKARNI (Maharashtra): Mr. Vice-Chairman, Sir, I am grateful to you for calling my name. The discussion on the Budget was initiated...

SHRI SUKOMAL SEN: On the Treasury Benches there is hardly anybody to listen to you.

SHRI A. G. KULKARNI: Whether it is the Treasury Benches or the Opposition Benches, they are the same. Here it is just a drama company. We have to play our part. It is for those who read.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Kulkarni, please continue. You need not get disturbed by him.

SHRI A. G. KULKARNI: It is my habit to reply to what my colleagues say.

THE VICE-CHAIRMAN: (SHRI BHASKAR ANNAJI MASODKAR): That is why they ask you more.

AN HON. MEMBER: Don't reply to interruptions.

SHRI A. G. KULKARNI: That is quite all right for you, not so for me.

Mr. Vice-Chairman, Sir, the speeches on the Budget that heard from Mr. Jaipal Reddy and other friends including the one of Mr. Balanandan just now, are in the same refrain. Prof. Thakur was quite justified in saying that in this crisis one can criticise it. Every political party has a different approach and perspective of how to solve the problems concerning the economy. But, Sir, if the future is to be believed, the future will show that is credible for Mr. Narasimha Rao and his Government that they have brought this Budget with courage of conviction. This conviction and this courage was necessary because the country has landed into this crisis. I do not blame any political party at all. My party is also responsible for it. I think that the conviction which the Prime Minister and the Finance Minister have shown is commendable. I think the crisis required an operation. A bitter pill has to be given for a killer disease.

Mr. Vice-Chairman, my friends are talking about the devaluation, the IMF conditions etc. But perhaps I may remind them that Mrs. Margaret Thatcher in 1981-82 reformed the British economy which was in doldrums because of the Labour Govvernment which had come in the previous two elections. There were a hundred economists. Among them were the Cambridge economists, the Oxford economists and the Harvard economists also. But one has to be very careful with Harvard because Harvard is not a very credible institution, it stems, because what we see here is of a different nature. Those hundred economists warned Mrs. Margaret Thatcher that her reforms would fail and that she would land the country into trouble. But within six months, Mr. Vice-Chairman, the economy improved, not only improved, but it was one of the most growing ecenomy in Europe at that time.

Another example I will give for them to appreciate the position. In 1981-82 when late Indira Gandhi devalued the rupee, again, the pseudo-socialists, the Fabian socialists and the communists started their own game. They said the IMF condition-

[Shri A. G. Kulkarni]

alities and all those things. It is on record. Perhaps the Finance Minister will bear me out that it gave boost to industry. A record GNP was achieved, a decline in poverty took place and moderate inflation was experienced. So, these are our previous experiences. Now, there are some 35 economists led by a very learned person, who has also prophesied doom because of the devaluation and the IMF conditionalities. I think they will be proved wrong if the Government has the political courage to implement what they have stated in *their Budget*.

I am also painfully aware that the crisis in this country because of the external debt servicing charges and the falling value of the Rupee is tremendous. It requires great political courage and patience to go over it. Very recently the *Economist* which is being published from London has also analysed our problems. I am quite aware that they had stated that in the 60s our industrial growth was 5.5 per cent while Pakistan had ten per cent, Taiwan 13 per cent and Korea had 16 per cent. Our agricultural growth was 2 per cent while Thailand had 3.7 to 5 per cent. Similarly, the literacy growth in India from 1960 to 1986 had increased from 24 per cent to 36 per cent, while in Malaysia it had increased from 26 per cent to 69 per cent. India's claim in 1989 was that 30 per cent of the people were below the poverty line, but their claim or their analysis was that it was something like 50 per cent. Why I am quoting these statistics is because I feel there is a necessity on the part of the Government to go into the macro-economic problems. These criticisms will always be there, but unless the macro-economic problems are solved, India will not prosper. For that we invite the cooperation of my friends in the Opposition and also of my own colleagues so that we can take ourselves out of this crisis and are able to achieve a glorious future. We have to focus our attention on debts—external and internal—subsidies, wasteful expenditure, overemployment and the necessity for population control, rural water supply and health. My friend, Mr. Chaturanan Mishra, just now mentioned about the view of some Harvard Professors. I have got my own doubts about this view.

SHRI CHATURANAN MISHRA: We have also got one such professor amongst ourselves.

SHRI A. G. KULKARNI: He might be a professor in his own right. Why I say so is that one must remove this misunderstanding. One of the Professors of this University says that devaluation does not *per se* increase or accelerate your exports. In saying so he is quite right, but you forgot to mention further what he said. The capacity of a country is to enlarge exchange earning products to get $ into its kitty. Therefore, the devaluation success depends largely on the existence of export surplus. So, what I want to say is that with the cooperation of Mr. Chaturanan Mishra and other Members from CPM and other political parties, if they keep quiet and help us to produce more surplus, it will be good for the country. So let me tell that Harvard Professor that this is a lesson for him and not for us. I draw the attention of the Finance Minister to the national problem. I am not interested in criticising the Government, whether I want to criticise them or not, you leave that aside. But where are we to find the resources? The Finance Minister has to apply his mind to resolve these issues. What I find now from various reports which I have got is, the Government's non-developmental... (*Interruptions*) I have got 25 to 45 minutes.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Go ahead.

SHRI A. G. KULKARNI: Did you ring the bell?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): From where did you hear it?

SHRI A. G. KULKARNI: From here itself.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): No bell was rung.

SHRI A. G. KULKARNI: Okay, thank you.

The non-developmental expenditure of the Government is 72 naya paise in a rupee. In sum this is about Rs. 76,000 crores per year. Out of this one-fifth of this is on capital account. It means 57 naye paise per rupee is spent on salaries, allowances of the labour. Perhaps the Finance Minister knows about expenditure on employment but let me put it down that the total Central Government employment is about 42 lakhs, including States. The emoluments work out to Rs. 7000 crores. The allowances work out to Rs. 5000 crores. The travelling allowances work out to Rs. 412 crores. I am going by category-wise. Then, the Railways, the employment is 16.4 lakhs, casual labour 1.7 lakhs and pay Rs. 4,500 crores. The public sector, where the surpluses are expected, has 22.36 lakhs workers and the pay is about Rs. 10,000 crores. That means per capita payment to a public sector worker comes to about Rs. 43,605. The increase in salaries based on 1971-72, is 637 per cent. So why I say about the non--developmental expenditure is that these are the items which are consuming your money. We have 15 per cent of the world's population. We are producing about one-fifth of the worlds wealth. That is the reason why Mr. Chaturanan Mishra and my friends on this side have to bear on their shoulders the burden and help the Congress party to get this chariot out of the rat. If everybody wants his own pound of flesh, then, the country cannot progress.

SHRI CHATURANAN MISHRA:... to take the Congress party to Jamuna Raj.

SHRI A. G. KULKARNI: Pardon me.

SHRI CHATURANAN MISHRA: Not for you. For him.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Continue.

SHRI A. G. KULKARNI: Chaturanan and everybody is barricading me.

SHRI KAMAL MORARKA: He is uncomfortable. We are not interrupting.

SHRI A. G. KULKARNI: The second item is about the police. I will be failing in my duty if I do not express my views on the expenditure on police. Mr. Finance Minister, in 1983-84, we spent Rs. 430 crores on police and in 1989-90, Rs. 2167 crores. There is a craze with politicians, whether you or me. Everybody wants a convoy of police and other people to protect him. Why do they need protetcion or a new status? I do not know. Among these politicians, the present M.Ps. and present Ministers are one category. The retired M.Ps. and retired Ministers are another category. All of them get this security if requested. All right. But why should they stay in Delhi? They are not born in Delhi. Why don't they go home? These are business politicians. They want to sit in Delhi. I want to draw the special attention of the Finance Minister to a particular case. On Shahjahan Road, where I am staying for the last 20 years, there are about 21 bungalows. Would you believe, Mr. Thakur, that there are 10 police outposts on that road? There are 10 police outposts on one road, one protecting a Secretary, one protecting a Minister, one protecting a retired M.P., one protecting a retired Governor, and so on. I see this every day when I go for a walk in the morning. (*Interruption*). Why should

[Shri A. G. Kulkarni]

I walk? I walk for my own health, not for you. If you want to reduce wasteful expenditure, take a review of the security arrangement. What is the damn 'Z category'? What are they afraid of? There are 10 police outposts and one Jony of that has got built by the Housing Committee a pucca building to house some 10 police people. What is this wasteful expenditure? This is the position of your non-developmental expenditure.

Recently I saw a news item in the 'Sunday Observer', recently. Mr. Thakur must also have read it. "Police using more private escort cars".

कहां से पैसा आएगा ? इस पर खर्च कितना है ?

Rs. 48,000|- per day.

यह सारा चलेगा कैसे ?

श्री कमल मोरारका : कहां चल रहा है।

श्री अरविन्द गणेश कुलकर्णी : आप को भी चाहिए तो ले लो।...

You also want a part.

SHRI KAMAL MORARKA: We will not have.

SHRI A. G. KULKARNI: You may not have.

This is the expenditure per day. When you are taking a review of the wasteful expenditure, take a review of the security expenditure also. Is it necessary to give security to these retired M. Ps. and Governors? Ask them to go home.

जहां से आये हो जाओ। यहां क्यों ठहरते हैं? दिल्ली में क्या है ?... (**व्यवधान**)

SHRI SATYA PRAKASH MALAVIYA (Uttar Pradesh): What about the SPG?

श्री अरविन्द गणेश कुलकर्णी : पुलिस में आ.. है, एतजो-पो० होता है, ब्लैक कैट होता है, व्हाइट कैट होता है ...

Now, Mr. Vice-Chairman, I again appeal to the Finance Minister. I am very serious on this. It is ridiculous. We are begging for money. And they talk of conditionalities. How this devaluation came about? What were the conditionalities? Everybody know In my ows family, if there is a marriage, if I have to borrow money, the bank does not give it just as a gift. You have to pledge gold or something like that. Conditions are natural. My friend, Mr. Yashwant Sinha, wrote an article in the INDIAN EXPRESS and though there was a constraint of time, I went through it. He is a good friend of mine. He is a learned, chaste and honest person. (*Interruptions*). He is a chaste person. This is what I feel about him. I do not know about others. I went through it. What he wrote was written with tongue-in-cheek because he tried to show that Dr. Manmohan Singh has taken steps some of which were initiated by him and others are untruths. What do you mean by untruths? You know what we owe to the other countries. What is our foreign loan? What is our internal loan? You know all these things. Had you been there, then you would also have taken the similar course or indulge in a little bit more fancy hat trick or rope trick. This is a rope trick.

SHRI YASHWANT SINHA (Bihar): I accept that.

SHRI A. G. KULKARNI: Now I come to subsidy. The fertilizer subsidy has been criticised by some of my friends. The fertilizer prices were fixed in 1978 and now this is 1991. Do you know this? I am a farmer myself. I always advocate the cause of the farmers. But now distortion

has been created in the farming community because of the new farm technology. Only 10 to 15 per cent of rich farmers use the synthetic fertilizers. A poor farmer, a dry land farmer has no recourse to it because he has no assets. Leave the subsidy aside, I am not going to fight on that. But if you are going to do it, then go on a large scale to start fertilizer cooperatives. We have got fertilizer cooperatives. One is IFFCO. Another is KRIBHKO. These two fertilizer units in cooperative sector are ideal. That is why I told Mr. Balram Jakhar that the subsidy that they are giving is to the fertilizer industry and not to the farmer. If you want to do it, then do it properly. What China is doing? They have introduced bio-gas on a large scale. If you want to save fertilizer, because fertilizer will not be available, bio-gas will only be available. What is austerity? I say austerity for future prosperity. But if you will not be able to tighten your own belt, there will be no austerity. People will not believe you and me. About fertilizer, I want to say there is subsidy. I can give umpteen instances on subsidy. You know everything—I mean where the money goes and all that. Not only in respect of fertilizer, but in respect of irrigation, electric corporations, that is the State Electricity Boards, then in the Railways, there is hidden subsidy and the total subsidy comes to about Rs. 43,000 crores to Rs. 45,000 crores per year. I cannot understand your effort. I would have liked 50 per cent to be slashed. Perhaps the Government might go by a snail's pace. But these are the weaknesses in the economy at the macro economic level and for that purpose, you should have taken more care for the subsidy. Here also, another report says that 12 billion dollar loan sanctioned to this country is unutilised and we are begging here 5 Billion loan. What happened to those 12 billion dollars? We have no matching resources. We are beggars here. If those 12 billion dollars would have been brought, irrigation, power plants and all the infrastructure in the core sector would have become available. Mr. Vice-Chairman, I draw your attention to this aspect of macro-economy. Though I am one with you to have this Budget, to have devaluation, to have an IMF loan, I really congratulate the Prime Minister for his courage—, the people must feel that we are very serious.

Sir, I want to draw your attention to another aspect, that is regarding educational facilities. A thrust has to be given to change the pattern of education. Sir, you will be surprised to know that my friends, my colleagues and my co-workers in the villages have no teachers for their schools and here in the urban areas, in Delhi, Bombay, Madras, Calcutta, whatever it is, we are spending one Lakh of rupees of Government money to educate one student in Indian Institute Management Studies. We spend about rupees eighty thousand on an IIT student. The parents of the student pay a paltry educational fee, but for us, the poor people of this country, there is no educational facility. In your Budget a new thrust should have been given to education. Unless a new thrust is given, the country cannot progress rapidly. China goes with 70 per cent of educational facilities and we can't do it; It is very ridiculous. That is why I would again request you that this is a necessity on which we should have gone.

Mr. Vice-Chairman, I am concluding in a minute. Now I come to the last two points. One is, when we talk of black money, I would like to draw the attention of the Finance Minister to find out as to how and where this black money is created. It is the leakage in the system itself. Mr. Vice-Chairman,——you come from Vidarbha—I have very recently studied the Report of the Committee on Social Schemes of the Maharashtra Legislative Assembly. In one district, Nasik, under the IRDP twenty-five thousand cows were shown to have been distributed to the Adivasis. O.K.

[Shri A. G. Kulkarni]

Excellent. Twenty-five thousand crores of rupees were spent. And there was not a litre of milk coming! When the MLAs examined all those procedures, they found that there were no cows at all. These are the leakages, whether IRDP or any other scheme...

SHRI YASHWANT SINHA: Was there another animal?

SHRI A. G. KULKARNI: No. The animal was the Government bureaucrat who got the money along with the Patils and Talathis. The Patils, Talathis and other leaders like you and me just got the cuts and everything was O.K. Mr. Thakur knows it very well—he is an income-tax practitioner; I do not know whether he is a sale-tax practitioner—the leakage is in sales tax. Would you believe that sixty to eighty per cent of sales tax due to the Government is exhausted in the sharing of the booty between the client and the sales-tax officer? Similiar is the case with the income-tax. Mr. Thakur was with me on the Financial Consultative Committee. Many a time I have been crying that this excise department was the hell...

SHRI JAGESH DESAI: You are perfectly right. . .(*Interruption*). . .

SHRI A. G. KULKARNI: That is what I say. You were the Finance Minister. You know everything. What have we done to avoid black money? Many questions were raised. I am not happy. I am not happy. I do not know whether I am permitted, during Mr. Venkataraman's time when the black money schemes were introduced nothing had come out. It was not worthwhile. I think a new approach should be taken. When you have shown such a courage to hold a bull by the horns, why should not you go a step further? Perhaps, you can take it next year. We have a stable Government. It is not like the previous two Governments.

SHRI YASHWANT SINHA: That is what you think.

SHRI A. G. KULKARNI: No, with your cooperation. We are a stable Government with your cooperation. Mr. Sinha, do you want black money to be protected? Are you interested in black money?

SHRI CHATURANAN MISHRA: He will cooperate with you as you cooperated with him.

SHRI A. G. KULKARANI: So, I think, Mr. Vice-Chairman, black money Schemes have not been properly handled. I am prepared to give you one more year or two years, but these people with black money are sharks. They are not like ordinary persons. They have collected black money, whether it is Rs. 40,000 crores or Rs. 80,000 crores per year. This is a large amount. The second point that I want to make is that there is a distortion on our borrowing programmes. That part is debt servicing. Let us be very fair. We must admit that. We have inherited an economy. That one can understand. But the short-term borrowing systems which were introduced in a short period between 1980 and 1990, whatever it is, in this country on commercial terms are totally reprehensible. Nobody would have done it because for the development of the economy a long-term finance is required and I think my friend will agree with me that short-term borrowing on commercial terms is very pernicious because, I think, that in 1985 the short-term borrowing has increased to Rs. 8,900 crores from Rs. 330 million in 1970. But then you know, Sir, it has risen to a fantastic level in 1989-90, that is 21,405 million dollars. This is in dollars. Therefore, it shows official credit from multilateral agency went up from Rs. 7,500 million to Rs. 54,776 million. But there was no proportionate benefit for the export productivity. There was no proportionate benefit. If I blame industrialists, perhaps some of my friends will feel aggriev-

ed but the difficulty is that the nexus is not only between musclemen and politicians, but between politicians and industrialists; politicians, bureaucrats and industrialists, and everybody has to be blamed, out of which we have to take the share what is due to us. For this purpose, I think, the short-term borrowing system has to be done away with.

Lastly I would appeal to my colleagues here and to everybody—I am a person, you know, of about 75 years and I do not think that I will again see politics in this life—particularly the labour union whom I do not want to criticise, that the country is really in a crisis. In Russia the Moscow newspaper IZVESTIA has said that the Indian economy has been damaged because they followed Russia. I can show you what they have quoted. One is that it is the result of the centralised planning system and the other is over man-power public sector units. Thees are some of the issues for which we have to receive cooperation from Chatuarananji. I can understand you. On the question of dividend we are one with you. But freeze also the wages. Let us put our shoulders together to get this economy from out of its crisis and within the next two or three years India will be not only a successful country but one of the powerful countries in the world as far as economy is concerned. Hence I defend the Budget and I congratulate the Prime Minister for taking courage and I would request and beg of my colleagues on my right to cooperate with the Government so that we can do a fantastic job in improving the economy...

श्री चतुरानन मिश्र : हमारा वेज फ्रीज होगा लेकिन प्राइस राइज फ्रीज नहीं होगा मुनाफाखोरी फ्रीज नहीं होगी टेक्स इवेजन फ्रीज नहीं होगा, इंडिया से धन बाहर ले जाना, यह डिपोजिट करना, नहीं फ्रीज होगा। इन चीजों के बारे में एक भी शब्द आपके वित्त मंत्री ने अपने भाषण में नहीं कहा है।

SHRI A. G. KULKARNI: I am hundred per cent with you. But let us start somewhere and I would request you for wage freeze. I said dividend freeze must be there, the black money must be taken out, the price rise has to be suppressed. But who is responsible for the price rise, who does the price rise? The industrialists and the traders. The political parties interested in the trading community, in the industrial community, have to take the blame, not me.

SHRI VIREN J. SHAH (Maharashtra): Mr. Vice-Chairman, I think if today's Budget is to be summed up in one sentence then I would refer to the *Sunday Times of India* of yesterday; the 'Tail piece' there brings out the sum, the entire scheme of thinking of what the Budget is about:

> "The Union Budget evoked resentful comments from almost every quarter. One housewife was particularly piqued: 'His name is Manmohan (heart charmer) but his deeds heart-breaking'."

This is perhaps the total sum and substance of the effect of this Budget. I happened to be with a group of people which included quite a number of women, most of them from middle class. Somehow or other it came out that I was going to talk about the Budget the next day and, they almost attacked me as if I was responsible for whatever is going on. I said I am partially responsible being a Member of Parliament but I am not the one who had proposed it. Their point was that the prices had already shot up. This was the phrase used and one person mentioned to me—he had just come back from some remote place—that even in adivasi areas the price of salt had gone up, "you talk of colour TV and other things; you high-sounding fellows, politicians, the price of salt has gone up." I thought of the days when Mahatma Gandhi led this country through freedom struggle, going to Dandi, undertaking the Dandi March. We have that sculpture on Willingdon Crescent—Gandhi leading the Dandi March for that little bit of salt. And I have seen people in my young days. I was young. I saw people being

[Shri Viren J. Shah]

beaten up during that March. I have had the privilege of meeting them. In 1991 even the salt price has gone up. And then I thought of the comments and statements the honourable Finance Minister has made. As a person, as an economist, I have very high respect for him. I do not know what severe constraints that he must have functioned under. But he says the Budget is not inflationary. I am not an educated person. So I want to know the meaning of the word 'inflationary' when the price rise is going up still Price rise is taking place even for the most common things. And if it is not inflationary, I shall accept it as not inflationary. But about the definition of 'inflation' I am quite sure some learned persons from the ruling party will explain. When prices go up, that is not inflation,...

SHRI JAGESH DESAI: That is inflation.

SHRI VIREN J. SHAH:...but when something else happens, it might be inflation. I thought the Budget was a serious exercise for economic regeneration and not a juggery of numbers. Unfortunately, this has been the tradition in our Finance Ministry. It starts basically with the concept that the expenditure is fixed, fixed in the sense that last year it was 'x' per cent and this year it has to go up and no thought is applied as to whether it is necessary, and they start looking for revenues and inflows to meet this additional expenditure. The Prime Minister in his broadcast and the Finance Minister in his various speeches had talked about living beyond our means for years together. Today, this is where we need to depart from. We have to give up this traditional approach to the Budget and make some kind of an innovative departure in our approach to it. The Budget should be an economic exercise in the interest of the people. But there has been only a half-hearted attempt in this direction. I do not know whether it was due to political constraints or whether the time was inadequate. I can understand the serious macro-economic imbalance, heavy external and nternal debt situation and our credit worthiness going down globally. If we look at the performance of our economy for the last 20 years, of the Congress party, we can find out as to why this has happened. Whatever it may be, it is today that is more important. There was a time when this Government, this Congress party, while it was in power, used to have a Long-Term Fiscal Policy. Now, for the first time. Unfortunately for the country, this policy has been given a burial. I believe it did not even get a decent burial, but an indecent burial. Today, on one talks in terms of the long-term fiscal policy. What we need today is a ruthless attempt to bring down the Government expenditure so as to avoid additional taxes which ultimately affect the poorest in this country. There was a time when we had over 90 percent tax including wealth tax. At one time, we had taxed people over 100 percent I donot know of any wealthy person who had become poor because of these taxes. In fact, most of them have become richer and the burden of all kind of taxes was borne by the poor, people whom all of us profess to serve regardless of party considerations. This is where I think the Finance Minister has missed the bus. It has been said that the defence expenditure in real terms is supposed to be a little less. The Finance Minister has taken a kind of shelter behind his predecessor and he has said that he tried to reduce the defence expenditure to some extent when compared to the allocation made by his predecessor. Whatever it may be, I do not quite understand certain things. The Election Manifesto of the Indian National Congress (I), 1991-92 on page 22, says that the Congress will, "...restore fiscal balance in the budgetary system by drastically reducing wasteful expenditure, rationalising non-developmental expenditure and expand the revenue base of the

Government". As I mentioned earlier, not being educated or learned as the Members on the other side of the Bench are, I do not find evidence of any kind of cut in the Government expenditure as stated in the manifesto, in the Budget. . .(*Interruptions*). . .

SHRI RAMESHWAR THAKUR: The hon. Member, a very matured and a learned Member of the House had started his speech saying that the budget is nothing but a jugglery of figures.

3.00 P.M.

I thought you would be saying something on that. I am sorry, you have not said anything. There is no jugglery of figures in the Budget. The Budget is very clear and transparent. This part I want to make clear. Then, so far as the manifesto is concerned, it is ours and we have tried, within the limitations of the situation, to follow it up in the true sense of the term. Therefore, there is no question of anyone claiming not to follow the manifesto. We have tried to follow it up in the best possible way.

SHRI VIREN J. SHAH: Thank you very much, Mr. Thakur. I am grateful to you. But I am quite sure that you would reply to all the points when you reply to the debate. With regard to the jugglery of figures, if one wants, one can go into a number of things. But that requires a study of the manifesto and the Budget and the related documents—there are eight different volumes—and anyone can do it. But this is a general term. But, certainly, I am going to refer to the ruling party's manifesto because I am governed by that and I think I have a right not only to criticise it, but also to point out where it has not been followed. Therefore, with great respect, I say that I am going to refer to it again later on.

Now, there are soft options which have been taken and Finance Minister after Finance Minister takes the soft option of taxing the petroleum oil products, POL as they are called. If there is a Gulf War, add a surcharge, the Gulf Surcharge giving the reason that it is required to bring back the Indians from there. But the Indians have come back and now they are going back even. But the Gulf Surcharge stays on! Earlier also, before this, the prices were raised. I do not think we realise the impact of that on the general prices on the common man. I do not know how many people realize this. I had to tour the rural parliamentary constituencies when I was in the Lok Sabha some twenty years back and I had seen that in many of the rural areas, most of the farmers and others were using either motorcycles or the two-wheelers and others would be using the bus. Now transport adds to your costs of goods, whether rural or urban, and this adds to the cost of your agro and industrial products which gets into the price situation. It has an impact on the cost and that is what I want to say. This could have been avoided, as I said earlier, if there were efforts made to reduce the defence expenditure even by two thousand crores. It is possible, and I have spoken to the people in the armed forces. It is possible and you can do it without in any way adversely affecting our combat power. And yet—this seems to be the 'holy cow' situation—nobody wants to do that so far as defence expenditure is concerned. But I think the time has come for us to consider this. If you want to consider the people lower down and their needs like drinking water and a variety of other needs—we always are talking about them on the public platforms—then, these are the hard options which the Government must have exercised instead of adopting the soft option of taxing the POL.

In India, inflation is not the demand-pull inflation, but it is the cost-push inflation, and that is precisely what has been happening over

[Shri Viren J. Shah]

a period of the last ten years. It is known that our economy, India's economy, is one of the high-cost economies of the world, and year after year we keep on adding to that. The late Prime Minister, Shri Rajiv Gandhi, in several speeches, had mentioned this and I remember one speech, where I was present, in which he said, "Ours is a high-cost economy. Not only have we priced ourselves out of the international market, but also we are pricing ourselves out within the national market.". These are his words. And, thereafter, the high-cost economy continues to grow like that only. Have we taken any effective steps to combat that? This high-cost economy leads to high prices about which I made a mention in the beginning. Again, Sir, I cannot help referring to page 25 of the manifesto of the ruling party on prices. It says, "The Congress (I) is determined to roll back the prices to the levels obtaining in July 1990 in the case of diesel, kerosene, salt, edible oils, cycles, two-wheelers, etc.". Now, what happened a week after the Budget? I was really shocked—I hope it is not true —when I heard that the price of salt had gone up. In that case, the question of rolling back the prices is just like King Canute asking the waves to roll back! All of us know that it did not happen. I sincerely hope that this does not happen to our economy. It is not the ruling party that matters to me. What matters to me and to all of us is the fate and the condition of lives of the people of this country. And I think with these high prices, despite the proclaimed good intentions, the results might not justify our intentions. I read in one of the papers that subsidies were Rs. 70 crores in 1970-71 and these have now become Rs. 10,000 crores. And there was a statement prior to the Budget—even the Economic Survey refers to that—and the Prime Minister and the Finance Minister saying about the ruling party and subsidies. I do not think we have really done it in real terms.

I am a ration card holder in Bombay. I think everybody who lives in Bombay or metropolitan cities has a ration card. I cannot get a telephone connection, I cannot get a passport, I cannot get my grandson's birth registered if I do not have a ration card. So why am I entitled to draw from the public distribution system which is supported by money taken out from the poorest people through various duties and taxes? But that is going on. And when we talk about food subsidy, we get an emotional response, thinking that the poorest people get the benefit of subsidy. But I don't think in real terms it happens. The rural poor have no ration cards and they have no recourse to the public distribution system. Recourse to the public distribution system is mainly in the urban and semi-urban areas. So it has to be kept restricted to an income level, above which they do not get any public distribution service. I, today as a Member of Parliament, also am entitled to a lot of ration—foods and others—at subsidised prices. What is the justification of that?

Now, about fertilizers subsidy. We have shifted it from companies to farmers. To that extent it is a good step, but Budget provision-wise there may not any effect because—this is where we talk of the public distribution system—the farmers are promised a higher price for their produce. Certainly it is the right thing; they should do it. If there is increase in input cost, they must get it for their output, though there are very rich farmers also. I was given the example of a farmer from a particular district—I will not name the district, because one need not identify it. He earns more than a crore of rupees every year and he comes and buys urban property in Bombay. It is totally tax-free because he has kept

no other income. Should we find some balance? Who are we trying to protect and who we would try to subsidise? And that is what one should think who is gaining by so me of the subsidies and PDS and who is really losing out and paying more?

I was trying to find out through the Budget in what way are we alleviating poverty? And if prices are going up, the costs in the economy are going to rise, I do not understand how poverty could be alleviated. Sir, are we enhancing poverty, because income flowing in the hands of the lowest income people is not going to go up but the outflow is bound to go up even when they have just the minimum of rice or 'sattu' as they use in Bihar or other places that they have to have? And in fact, the nourishament level in India of nearly 40 per cent of the population is one-third what is the desired level—1000 calories as again 3000 calories or so. And these people, I do not see, through this Budget, are going to be in any position to be better off. Someone gave me an interesting sentence yesterday, saying "Economy is for the transformation of natural goods to serve humanity and to creation of thinking human beings". Is this Budget going to do this in any way? And also, "One cannot isolate cultural and spiritual values of a nation through economy because it is a part of it"—which we, at least my party, stand for. "A successful management of economy is where a selfish approach is transformed into harmonious national approach". Are we doing it through this Budget? My efforts to find an answer to that were not successful. I am sure someone else might find whether this is taking it into a harmonious natural approach.

My friend, Appa Saheb Kulkarni, made an appeal about cooperation. But co-operation for what? Co-operation in what direction? Because there is no information-sharing. Shri Atal Bihari Vajpayee, my Leader, speaking in the Lok Sabha on the Rashtrapatiji's Address, though appreciating some of the policies or direction—I agree with Comrade Balanandan that quite a number of aspects of the industrial policy come out from the BJP's manifesto, the direction that we have been talking about; it is good if they have taken that direction—said about information-sharing that if you are not willing to share information with the Opposition leaders and yet make an appeal on the floor of the House for co-operation, it is going to be difficult to get this kind of cooperation. And that was in the context of the International Monetary Fund. I think, there is a large number of people except some who would believe that the stage which we have reached because of particularly last 25 years of policies is such now that there is no recourse but to go to IMF. But, Shri Atal Bihari Vajpayee asked: What are you asking the IMF for? What information have you given to the Directors of 30 countries? 30 countries' representatives have the data and information about what is India's situation and that is what we are asking for. But Indian leaders, the political leaders of the parties cannot be shared with that. How do you expect any kind of cooperation which was requested by or appealed to by Shri Appasaheb Kulkarni? Talking about IMF, I read that the trade deficit next year, despite this trade policy, could be 8 billion dollars. Not millions, I am talking about 8 billion dollars. And the enhanced debt service will be another 8 billion dollars. If there is to be an extra deficit on the trade front of 8 billion dollars and enhanced debt service of 8 billion dollars, then you have a negative effect of 16 billion dollars next year. How much are we going to get from the IMF? Maybe, 5 billion dollars. How long will it last if these figures are correct? Do we want India again to be in an identical situation, critical balance of payments position, selling our gold and borrow-

[Shri Viren J. Shah]

ing 200 million or 300 million dollars to pay our immediate commitments? Nobody wants that to happen. I would like to have an answer that if these two figures—8 billion and 8 billion US $ of negative effect—are correct, then how are we going to deal with that?

Another important aspect which has not been dealt with by a series of Finance Ministers is gold smuggling. According to the most conservative estimate, in the last nine years, the gold smuggled into this country is worth Rs. 72,000 crores which amounts to 36 billion dollars. That much foreign exchange has gone out clandestinely: it has not come to the exchequer or to the people. And yet, successive Governments have found it difficult to find ways by which you open out in such a manner that the net benefit accrues to the country. There are gold bonds of the type. Specific workable proposals have been presented to different Finance Ministers in the past. But, what is happening? In fact, though I do not believe it two days back a leading evening newspaper of Bombay said on the front page that the smugglers' lobby prevented the Government from bringing out gold bonds. I sincerely hope that it is untrue.

SHRI RAMESHWAR THAKUR: I would like to assure the House that it is absolutely untrue.

SHRI VIREN J. SHAH: I am very glad. But the mind of the people who read that and their thinking behind is: Why is it that this is not being done? Is there a nexus between smugglers and those who are in a position of power? That is a question. I am making no statement whether it is there or it is not. Each one has to judge. But, I think, the time is more than over due that we bring out something bold and specific on the gold front. Don't bring in what Morarji Desai did in 1962, the gold control, which resulted in greater gold smuggling and damage.

The other point I would like to mention which I mentioned last time also—my friend, the Petroleum Minister has just left—is the functioning of the Oil and Natural Gas Commission. We are losing thousands of crores of rupees by either improper functioning of ONGC, by not their bringing out oil that they are supposed to, and by even certain *mala-fide* transactions by which even the foreign exchange goes out as even in purchases elsewhere; that happens. But I leave it at that.

There was a mention of public sector enterprises and shares to public and then to workers. The Finance Minister has followed his immediate predecessor and restricting it to 20 per cent. I do not know what is the purpose of restricting it to 20 per cent. This seems to be some kind of a magic figure rather than going the whole hog and this is where this macro economic balance of the last 30 years of our policies is, that we are talking about. I think we have the problem of not being open; we have the problem of not having the courage. Now it is unfashionable to use the name of Gorbachev in the presence of a communist. It is not fashionable. It is supposed to be treasonable, renegade, revisionist. But at least, the man had the courage of conviction, yesterday, he spoke of moving away from Leninism or Marxism. From the experience that we have got, why don't we have that courage to be open and say so? We keep on repeating the name of Jawaharlal Nehru, certainly a great freedom fighter and leader, and we keep on repeating his name in the Budget speech, and then moving away from the Nehruvian practices and ethos. Nehru himself would have moved away because in his own speeches he said that there is nothing static in our

economic and social thinking; it should be dynamic. I should have brought today to quote from a speech of Nehru delivered in 1952 in which Jawaharlal Nehru said that what I am thinking of during today is relevant for today. If the situation charges tomorrow, we should have dynamic thinking capability to move. But we are not courageous enough to say that in categorical terms that we are moving away from this and that we think that that is the right thing to do. We can learn from not only Gorbachev; we can learn from the entire East-European countries. I am not suggesting, you bring down the statues of Stalin and Lenin as done in different countries or any such thing. But at least, you open out the mental barriers, change the mindsheet. Before you restructure economy, you have to restructure your mind first. One has to restructure... (*Interruptions*) Chaturananji, I am not yielding.

SHRI CHATURANAN MISHRA:... and to replace Mahatma Gandhi's by Godse.

SHRI VIREN J. SHAH: That is a falsehood. That is a fasehood being perpetrated and denied by the person in whose name it was perpetrated, that he ever said such a thing. But we carry on. We should not do that. And that is why, as an individual, as a person, with a certain respect for the studies on Lenin and Marx, I was hurt when I read about Lenin's statute being brought down. I was not hurt when Stalin's was brought down. What is happening in the neighbouring countries? When we are talking of transformation, people always say, we are not Poland, we are not China or we are not Taiwan. But you forget the countries which were a part of India several years back. If you go 70 years or 80 years back, even Sri Lanka was a part of India. Sri Lanka is moving into this particular direction with a much greater strength. Bangladesh is doing that. Pakistan also. And no one can say that this is not India. All these were India, with the same culture, same land, same traditions, same values, same mindset. And they are moving. But we have hesitation. And that is where my party supported the industrial policy though in a large sense it might not have gone in that direction to the extent we expected.

There is another matter and I want to caution the hon. Finance Minister on this. It reminds me that problems arise with policies, and it happened with Mr. Rajiv Gandhi and I had the privilege of interacting on that. And that is, the statements made by the people in high positions including the then Prime Minister were nullified down the line in administration. At implementation level, there were problems. The example is the trade policy which was announced a fortnight back and so far no notification is issued. And if you read yesterday's Swaminathan Ankaleshwar Iyer's article, he has given a number of examples when even though three years have passed on a step taken in Parliament, law enacted, no notification is issued.

I would like to caution the Finance Minister and, through him, the Government to be vigilant and alert to see that it is implemented down the line. The Finance Minister might read in his speech to free agriculture and food processing industries from excise duties. Quietly at the lower level, they may say that an item is removed from Chapter 20 to Chapter 22. In Chapter 20, there may be on duty. In Chapter 22, there will be duty. The Finance Minister wouldn't even be aware of that. So, he must keep this in mind and direct them that this policy has to be implemented right down to the Section Officer.

In the end, I would like to say that my party cannot support this Budget because it does not address itself to poverty alleviation, removal of illiteracy, stopping of smuggling or tackling the BOP situation, if that

[Shri Viren J. Shah]

negative impact of 16 billion dollars is likely to be so. Infrastructural policies are neglected and without proper infrastructure, all the liberalisation and deregulation may not lead to the kind of generation of economic activities that we desire. It is not in consonance with the industrial and trade policies that were announced. Hence, my party cannot support this budget We are somewhat confused, if I may say so—at least I am, others are not quite clear—that on the one hand, we do not have adequate money to improve our health services in the villages not even adequate money to improve the roads in the villages and provide better schools and drinking water but they suddenly announced 100 crores of rupees for Shri Rajiv Gandhi foundation. This makes the people think as to what kind of direction we really have and whom we are really concerned with.

SHRI JAGESH DESAI: I feel that under the circumstances, the Finance Minister had made his exercise to the best of his ability to see that the resources are generated and wasteful expenditures are curtailed. He has tried to see that the taxes are levied on those who can bear the burden and spared those who cannot bear the burden. As regards the excise duties, he has levied it on those who sit in air-conditioned offices and bungalows and those who use refrigerations and Colour TV. He has spared the poor people of the rural areas by reducing the kerosene prices by 10 per cent. I am happy about that. But I do feel that the Finance Minister should not have increased the duty on sugar. Maybe, it was on the basis of a specific duty, but as the prices have gone up, he has to increase it so that the burden will be according to the *ad valorem* value. He might have done it. But when we want to reduce the prices, at this point of time, I want to know as to why increased the excise duty on sugar... (*Interruptions*)

श्री चतुरानन मिश्र : शूगर के मामले में ला ऑफ मार्किट, रूल्स अ.फ मार्किट एप्लाई नहीं करता । बैंक उनको एडवांस दे देता है और ये लोग धीरे-धीरे करके रिलीज़ करते हैं । अगर बैंक एडवांस नहीं दे तो मार्किट रूल के मुताबिक भाव घट जायगा । तो वहां मार्किट रूल काहे नहीं करत ?

SHRI JAGESH DESAI: I am coming to that. I have my views on the economy. Perhaps, I may not fully agree with the Government's Budget proposals. But I am speaking on broad lines.

When Mr. Madhu Dandavate was the Finance Minister, higher prices were given for sugarcane, but he did not increase the price of levy sugar. There was a hidden subsidy of about Rs. 300 crores. My question here is, at this point of time, should we increase the price? I think, at this point of time, when we want to bring down the general price level, we should not have done it When we increase the levy sugar price by 85 paise, it will also have its effect on the open market price of sugar; there will be an increase in the open market price. Sir, sugar is not a commodity which is consumed only by the urban people. I come from an Adivasi area. They also—the Bhils, other Adivasis—take a cup of tea in the morning. It is not that sugar is consumed only by the urban elite and not by the poor people. If that is the conception of the Government, it is wrong.

As far as the new industrial policy is concerned. I am not going to speak on it today. When the discussion takes place, I will give my views.

Now, I would like to say one thing in regard to the trade policy because it reflects the interests of the consumers. What we have done is, as regards REP, both commodities and manufactured goods are given 30 per cent, according to the exports made. I have already talked to one of the Ministers of the Government. This is not a correct policy. By this, you are

only encouraging the export of raw materials, semi-finished goods, foodgrains and cereals. They will be tempted to export these goods first because these are available. They will export these things and get the 30 per cent REP licence. As such, what we are seeing today is, after this policy, most of the goods exported are: raw hides, unprocessed granite, cereals, etc. As we all know, the export of foodgrains is a sensitive subject. Once it is known to the traders, the next day, the prices will go up. We have had the experience in regard to the export of oilseeds. The quantity exported was not much, not even .1 per cent of the total production, but because of this export the price of edible oils in the domestic market went up. Therefore, I would warn the Government. They should reconsider this policy. The Government should think whether they should give some incentives in respect of finished goods, where there is labour, or, they should give concessions and this 30 per cent REP benefit to those who export things like semi-processed hides or raw hides, unprocessed granite, etc. By this, you will be losing foreign exchange. This is because, when you export raw materials, the price you will be getting will be less. But if you export finished goods, we can get more foreign exchange. Therefore, I would like the Government to reconsider this and have a kind of policy which gives impetus and incentives to the export of manufactured goods than raw materials and other things. I would like the Government to give a reply to this.

In regard to the devaluation of the rupee, it is not only this occasion that it had been done. When Mr. Yashwant Sinha was the Finance Minister, he did not do it openly. The people did not know it. But the value of the rupee was 17.49 in terms of the dollar on 31-3-91. On 30-4-1991 it was 19.837, that is, there was an increase of Rs. 2 in one month. It comes to about 12 per cent or 13 per cent. But it is not that this Government alone has done it. Earlier Government has also done it. Whether it was done by the Reserve Bank of India, as daily rates are announced, or somebody else did it, I do not know, but in one month it was 12 per cent. But the question is whether this depreciation of rupee will help increase exports. I am doubtful because as I said earlier, in the year 1986 or 1987 when the pound, sterling or yen depreciated by 39 per cent, in spite of that, exports went up only by 15 per cent. Last year it was only 13 per cent and the export had gone up by 30 per cent. So, it is not necessary that because of depreciation in the rupee your exports are going to increase.

I am told that the foreign countries are demanding that you should reduce your price of textile because now for one dollar you are getting Rs. 26 or Rs. 27. So, you should reduce your price. If that is the situation, then you will earn much less foreign exchange than what you are getting today. Therefore, if you really want to get more foreign exchange, you should increase the export quantity by 30 to 40 per cent. Are you able to achieve that in the present day situation? Mr. Kulkarni rightly said that you should all help. But how will the help come immediately? It will take time for all to help. I do think that because of depreciation if you are not able to export by more than 30 per cent in quantity, you cannot get the same foreign exchange and the situation will remain as it is.

As regards imports, it has gone up by 30 per cent. If you take the depreciation of four to six months, from January 1991 to June 30, 1991, the rupee has depreciated by 45 per cent. What will happen to imports? Your imports will be costlier to that extent. And what will be the fate of those projects which are under construction or the economic activities in public and private sectors which are under conception? They will be under tremendous difficulty. Wherefrom will you get funds? How are

[Shri Jagesh Desai]

you going to help those industries which are under conception? Otherwise, the more you want to do, the result will be negative all through.

As regards price rise, I agree with my friend Jaipal Reddy. Prices are going up. Even in the week ended 13th July, in one week the wholesale price has gone up by .5 per cent. The highest increase is in the primary articles. There is an increase of .8 per cent in food articles. This was before the budget, as on 13th of July. After the budget proposals, I do not know what the position is. So, we have to be very vigilant. In spite of 3 bumper crops, good monsoon, the prices of food articles have gone up. At present there is no increase in procurement prices. Even then the prices are going up. In one week the increase is .8 per cent It comes to 3 per cent per month and 36 per cent per year. How will the poor people be able to bear this? What is the Government going to do about it? If you raid the traders, like the earlier Government of Shri V. P Singh had done, the amount per raid came to Rs. 400 or Rs. 600. That means they raided only small dealers and not big hoarders. This Government should bring down the prices of foodgrains. They should raid the big godowns and not do what was done by the previous Government. The answer was there, of Mr. Dandavate: "We have conducted 45,000 raids." And what was the amount confiscated? It was about Rs. 2 crores. So, you have to see that.

About implementation you say, "All right, we have written to the State Governments for the implementation of the Essential Commodities Act." And you are sitting there also. But you have also got some powers with you. If some of the Governments do not behave properly, and some of the Governments may be pro-traders and they may even demand of you to take out some more items from under the purview of the Essential Commodities Act so that the traders can have a free time, please see that no such permission is given in the name of, what you call now, market culture. Please don't do that. I warn the Government, if that is done, the hoarders will have a field day.

Secondly, I want to talk regarding cement. When cement was decontrolled, I raised my voice both here and in my reaction on the TV. I said that it would increase the price of cement. We wanted to give a thrust to housing for the common man, the poorer people, but if cement was not available or if the cement prices were going up, then even with whatever amounts you had given to the National Housing Bank they would not be able to construct more houses. And what was the price of cement at that time? Two or three years before, I think, the cost of levy cement, per bag, was Rs 45 and in the open market it was Rs. 60 per bag. Today it is Rs. 120. In the last one year it has gone up by 35 per cent. The price was Rs. 71 in Delhi. Today it has gone up to Rs. 110, which means, by Rs. 41. On Rs. 71 it is Rs. 41. It comes to 35 per cent. I want to know whether your revenue from excise duty on cement has gone up to such an extent. That has not increased. I was surprised when I saw the figures, that the excise duty from cement has gone up only by 10 per cent. So, what has happened, who has benefited by this price increase? Is it the hoarders? Will you make an inquiry? If the cement prices have gone up—on an average I have taken of the four sectors and it comes to 35 per cent—why has the excise duty not gone up by 35 per cent but only by 10 per cent? I want an explanation from the Minister when he replies. Because, if the stockists are doing it, if the blackmarketeers are doing it, then we have to see that it is checked. If there is something at the industry level, then we have to take some harsh action and see that this kind of things are not done and they should be penalized straightway.

As regards the price rise, you have rightly pointed it out and I have also said, yes, even in the last week it has gone up. But what have you done about it? That is what I would like to know. The increase in the wholesale price index in 1989-90, when we were in Government, was 9.1 per cent. In 1990-91, when you were in Government, it had gone up to 11.7 per cent. But, as far as the consumer price index is concerned, it was only 6.6 per cent in 1989, which means about .50 per cent less. When you were in the Government, the wholesale price index was 11.7 per cent and the consumer price index was 13.6 per cent. I want to bring to your notice that when we were in the Government we saw that the prices of the consumer goods were kept under control, and we took action. When your Government was there, you did something good. I compliment you for that. You brought down the monetary expansion which was 22.2 per cent in 1989-90 to 14.9 per cent. If that was so, the inflation should have been less. The money supply was less when you were in the Government. Inspite of that you saw that the prices went up because you were only fighting, you did not take corrective action. You raided only small, petty shopkeepers, and you did not take any action against them. (*Interruptions*)

Listen to me. I am giving the figures. What happened? The price-rise of the primary articles in 1989-90 was only 0.4 per cent. When you were there, the price of rice increased by 14 per cent; that of wheat by 48 per cent, bajra by 42 per cent; maize, the poor man's food, Adivasis' food by 35 per cent; jowar by 17 per cent; arhar dal by 30 per cent. Inspite of the fact that you brought down the money supply, this was the position because you did not know how to rule. But I am sure that our Government will see that the prices are kept under control, and for that we have men in our party who will suggest to the Government how to bring them down.

As regards the public sector, I do feel that a deliberate attempt is being made in this country, both in the Government and outside, to denigrate it because I have seen this being done on the TV also by one of the Ministers at that time. I am very much upset about it. I would like to put the record straight. I want a throbbing, efficient public sector, not a sick public sector. I want a public sector which can build up such a strong infrastructure that our industries can grow further and further. That is the aim of the public sector. It is not that we want to generate only resources from the public sector. That was never the concept. Yes, we should try to generate surpluses. But I was amazed at this. If I am wrong, the Minister may correct me. This is the Budget speech:

> "For the founding fathers of our Republic, a public sector that will be vibrant, modern, competitive and capable of generating large surpluses was a vital element in the strategy of development."

I was also seeing this policy, but I have never seen that large surpluses have to be generated by the public sector. That was never the concept. Because of this wrong concept which has come from somewhere you want to dilute the public sector. That is my charge against the Government.

As regard the working of the public sector, though I am not satisfied fully, what I am seeing from the figures is that year by year it is improving. Some people say that the profit is from the petroleum industries. Yes, the major profit is from the petroleum industries. But now a vast change is there. As regards the non-petroleum and non-takenover manufacturing industry is concerned, in the year 1988-89 the profit was Rs. 551 crores, and in 1989-90 it has come to Rs. 977 crores. These are non-petroleum, non-takenover companies.

SHRI VIREN J. SHAH: Mainly the NTPC.

SHRI JAGESH DESAI: I am giving the figures. Every time we are told that the profit is only 3 per cent. Of what? On the investment. What is the investment? They say, it is loans and capital. (*Interruptions*)

Listen to me. I am giving the figures.

Mr. Viren Shah, I am prepared to discuss this on TV with anybody. I am prepared to discuss it that they are giving this kind of wrong interpretation. Deliberate attempts are being made to malign the public sector. I am giving the figures. About its total profits, I must tell you I am not satisfied with it, but I am satisfied to the extent it started improving after Rajiv took personal interest in it. In the year 1988-89, the profit was Rs. 2,900 crores. Last year it was Rs. 3,700 crores on the total investment by way of capital and loans of Rs. 1,00,000 crores. Is the profit to be considered on equity?

SHRI VIREN J. SHAH: On the total capital employed.

SHRI JAGESH DESAI: Then the interest that is to be given to the Government is not to be deducted. I am giving you one example. You have established a factory having your own capital of Rs. 10 crores. You have taken Rs. 90 crores on borrowings. On Rs. 100 crores you have earned a profit of say Rs. 25 crores. On what will you consider your profit? On Rs. 100 crores or on Rs. 10 crores?

SHRI VIREN J. SHAH: On Rs. 10 crores.

SHRI JAGESH DESAI: Yes. Or you may not pay the dividend. In the year 1989-90, the gross profit was 12.58 per cent i.e. it was Rs. 10,623 crores. Out of that an interest of Rs. 5,341 crores is to be deducted. Then the net profit comes to Rs. 5,282 crores before taxes.

SHRI VIREN J. SHAH: The ONGC has no share capital. Its main profit is on that. So, statistical inaccuracies may mislead our thinking.

SHRI JAGESH DESAI: What I am saying is that on Rs. 1,00,000 crores of investment, we are having a profit of Rs. 10,000 and odd crores. So, it is 10 per cent. Yet I am not happy about it. Still there is a very great scope for improving the public sector. If autonomy and accountability is implemented in the spirit it is to be implemented and if there is no political intereference by those who are in charge of it and also that the excess staff in the companies is transferred elsewhere,...

SHRI VIREN J. SHAH: The Memorandum of Understanding (MOU) that was referred to for one year should be actually for three years. And what is reflected in the Budget speech should be effectively followed. Autonomy should be there and the Ministry's responsiblity must be fixed and evaluated year by year.

SHRI JAGESH DESAI: I fully agree with you that the MOU should be fully implemented and whatever conditions are there they should be fulfilled. Whatever stipulation is given to the industry, it should be fulfilled. If that is done, I am sure the profit will increase. I am giving one example about the improvement. I talk not only of profit, but of efficiency also. To my mind profit may be less or more depending upon the circumstances and the philosophy which it has to adopt. Regarding efficiency too there is a vast improvement. As regards inventories are concerned, it was something like 98 in 1986-87. After late Rajiv Gandhi took personal interest and kept on monitoring the improvements, it has come down to 83.

As regards loss-making companies are concerned and the capacity at which they are running, is concern-

ed, I would say there is a vast difference and I am not at all happy about that. This investment was started by the earlier Government. If the financial institutions, mutual funds and the workers are allowed to invest in shares in public sector, I have no objection. I want the Minister to clarify this point. But now private mutual funds are also to be created. May I know from the Minister whether these funds also will be allowed to invest in shares in the public sector. If that is so, then, it will be a back-door entry for the private sector and private equity holders in the public sector. I think that in the Industrial Policy, other sources are also there but in the Finance Minister's speech it is only the mutual fund; then, employees and financial institutions are also there. So I would like to know whether in that, private shareholders will also be allowed to invest in equity shares of the public sector. If so, which are the selective industries? Are we going to allow them to invest only in the profit-making industries? Naturally any shareholder would like to invest his money where he can get better returns and the no one is going to invest in the loss-making companies. You should allow them to invest Rs. 1 lakh in profit-making company and Rs. 1 lakh in the loss-making company. You should put up this condition to them and only then you should allow them to invest. Are you going to put this condition? If that is the motive of the Government, then they can give resources to the profit-making public sector undertaking as well as to the loss-making public sector undertaking or else you have to merge one profit-making public sector undertaking with one loss-making public sector undertaking. I think in our manifesto in 1978 or 1980 in Maharashtra we had made a provision that we shall not take over any sick industry in the private sector but it will be amalgamated with another company of the same management, if I remember correctly. I think my friend, Mr. Kulkarni also knows about it.

SHRI M. PALANIYANDI (Tamil Nadu): In Tamil Nadu also they have done.

SHRI JAGESH DESAI: I want to know from the Finance Minister, whether that would be done in the private sector also. Therefore, what I suggest is that any loss-making company under MRTP group should be merged with other profit-making company under MRTP group and not be taken over by the Government. If that is done, then, most of the problems can be solved.

SHRI YASHWANT SINHA: Mr. Desai, I would just clarify that the Industrial Policy Resolution of the Government clears the doubt that you have raised already. It says clearly that in order to raise the resources encouraged by the public participation, a part of the Government share holding on the public sector which has now been fixed at 20 per cent would be offered to mutual fund, financial institutions, general public and workers. It is very clear.

SHRI JAGESH DESAI: In the Finance Minister's speech the word "general public" is not there.

SHRI YASHWANT SINHA: I am saying that you are giving it to the general public, then, where is the difficulty in offering it to the private mutual fund?

SHRI JAGESH DESAI: In the speech of the Finance Minister "general public" was not there.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Desai, your time is over now. You please conclude.

SHRI JAGESH DESAI: I was allowed 30 minutes.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You have taken more than 30 minutes.

SHRI JAGESH DESAI: I will mention only one aspect and then conclude. So far as the foreign technology is concerned, we want to encourage it. We want that there should be upgradation in our industries by allowing the technology. It is a good idea. I welcome it. But again, what are you doing? I am just showing you the contradiction. Because of the foreign exchange crunch, more than Rs. 2 crores are not allowed for capital goods. And, for capital-intensive industries, the biggest incentive is depreciation. You want to encourage them. At the same time, you are reducing the rate of depreciation from 35 per cent to 25 per cent. How these two can reconcile? I would like to know this from the hon. Minister. On the one side, you want to encourage them, but, on the other, you are taking away an advantage given to them. You should have a consistent policy. You want to encourage transfer of technology on capital goods on a large scale. Most of the public sector units are capital-intensive which require modernisation. Do you want to deny them this right of 35 per cent? It is only the multi-national companies, the varieties of Colgate, Palmolive, etc., which will benefit by this policy. Comparatively, the cost of their machinery is very less is relation to their turn-over. But the capital-intensive companies require massive investment in the capital machinery and you should not deprive them of the benefit. I want the Government to reconsider this aspect, if you want to encourage them.

Then there is one point on petroleum. I personally feel that though some hardship will be there, the Government has tried to see that in regard to diesel and kerosene, there is no increase. But on other petroleum products there is a 20 per cent increase. You have done only 20 per cent. But because of the rupee devaluation, as I told you, this will become 40 per cent. So, please consider this aspect also.

When we are on the point of petrol, I would like to give a suggestion. You talk of austerity. Yes, austerity should be there. By whom? Let those who have got cars be austere. Every car has a number, either odd or even. I suggest that cars with odd numbers should ply on odd-date days and cars with even numbers should ply on even-date days. This should be adhered to strictly. By this arrangement, You will put some restriction on those who have got a number of cars and take out all of them on any day. This will save considerable petrol. I was told by one of the top-most persons in Maruti Udyog that there was a proposal that Government officials would use only Maruti cars. Maruti cars will be very helpful in saving petrol. Are you going to do it? I would like the Government to examine this aspect also. For some time, we have to tighten our belt. Let us start this both at Government and at personal levels. Let officials share cars. In Bombay, we are sharing. If this is done, then you will really save some foreign exchange. Otherwise, to say that we should tighten our belt is only lip-service.

I am not talking on other aspects because the time at my disposal is very short. I feel that, in the present circumstances, the Finance Minister has done a very good exercise by limiting taxes in those sectors which may affect the common man. He has tried to see that taxes are levied only on the affluent and upper middle-class sections which can bear them.

Lastly, I am not able to understand one figure in the revenue aspect for 1991-92. (*Interruption*). Mr. Minister, please hear me on this point. In the

4.00 P.M.

year 1991-92, the figures of corporate tax receipts are shown as Rs. 5200 crores. In the earlier year, it was Rs. 6400 crores or Rs. 6500 crores. Though there is buoyance in the big industries, why the estimated revenue shown for the year 1991-92 has been less than what it was in the earlier years? It should be explained so that we can understand whether the industries are really in bad shape and

that is why the revenue has been shown less. That point should be clarified by the Minister. Thank you.

SHRI KAMAL MORARKA: Sir, the Annual Budget consists of two parts when the Finance Minister presents it. Part-A deals with the macro economic figures of the economy and the Budget speech which contains the political thinking of the Government. Part-B consists of the taxation proposals. Sir, the taxation proposals this year are quite colourless. I may refer to it at the end of my speech. Otherwise, maybe, when the Finance Bill comes up. But part A of the Finance Minister's speech this year is significant in more than one way. First of all, the unique feature of this year's Budget is that unlike every year when the Budget proposals contained the thinking of the Government, this year, the Budget has come at the tail end of a series of far-reaching measures which the Government announced before the Budget. This Government took over in the last week of June and it had hardly one month to present the Budget. In this one month, they have taken a series of far-reaching measures at a feverish pace. Even a layman's conclusion would be that not much thought has been given to the decisions taken.

I must say, I know Dr. Manmohan Singh, I have great respect for him, for his professional performance in the various posts that he has held in the Government. At that time, he was not supposed to reflect his own thinking, but he was supposed to act as a good bureaucrat, reflecting the then Government's thinking. I had occasions to work with him when he was the Economic Adviser to the Prime Minister, Shri Chandra Shekhar, and I know something about his thinking. I may not agree with many things that I know that he feels correct for this economy. But large parts of his speech are not part of his thinking. Dr. Manmohan Singh, when he took over as the Finance Minister, addressed a press conference and said, as I would expect him to say, "Things are in bad shape. There is indiscipline. A lot will have to be done. I will take the country into confidence. Everybody will have to suffer the pains." When a correspondent asked him, "What about the prices? You are saying the prices will go up. But the manifesto says, in 100 days, we will bring down the prices." True to his professional outlook, he said, "Probably these things were not taken into consideration when the Manifesto was drafted. But the prices cannot be brought down." That was an honest-to-God truth. But politics does strange things to everybody. It has definitely afflicted Dr. Manmohan Singh. I must say, in one month, I do not know how much of his economics still stands. He is an honourable man. But he has definitely traversed a long distance in politics. His Budget speech shows that rhetoric has taken precedence over logic; economic elegance has taken precedence over relevance. In the first page itself he says: "The balance of payments situation is precarious. International confidence in our economy was strong until November 1989 when our party was in office." Frankly speaking, this is the first time I learnt that he has joined the Congress Party. I presume it is a reference to the Congress Party when he says, "When our party was in office." "However due to combined impact of political instability witnessed thereafter, the accentuation of fiscal imbalances and the Gulf Crisis, there was a great weakening of international confidence." Sir, most humbly and respectfully I want to submit that while it is true that there can be a distortion because of the accentuation of the fiscal imbalances and the Gulf Crisis, what political instability has got to do with that, I have not understood. We had a Government in power having more than four-fifths majority in the Lok Sabha. It was the most stable Government that one could conceive of. And those are the precise five years

[Shri Kamal Morarka]

when economic mismanagement and irresponsibility of the worst order has taken place. So I do not understand how the strength of parties in the Lok Sabha can have any relevance to international confidence. If I have to take Dr. Manmohan Singh's word for it, no international organisation should have faith in the Italian Government because it changes every three months or six months. I don't understand it. I have a suspicion that when Dr. Manmohan Singh in his professional capacity prepared a speech, it was politically touched up and this term "political instability" has crept in as a result of that. But that as it may...

SHRI RAMESHWAR THAKUR: I am sorry, Mr. Morarka,...

SHRI KAMAL MORARKA: I am not yielding. Let me make my submission and then you reply.

The Economic Survey which this Government has presented three days before the presentation of the Budget-I will only quote that—itself contradicts what Dr. Manmohan Singh has said. I need not do any work; they have done their own work. I quote from the Economic Survey:

> "The pattern of financing during the Seventh Plan brought to the fore a number of disturbing points and the sustainable nature of present pattern of financing the Plan. There was a widening of the revenue deficit which increased from an average level of 0.8 per cent of GDP in the Sixth Plan to 2.6 per cent of GDP in the Seventh Plan."

I don't think there can be a bigger damning of your own Government than this document...

SHRI A. G. KULKARNI: Mr. Morarka, you should learn to be more pragmatic.

SHRI KAMAL MORARKA: You should have the patience, Dada. If Dr. Manmohan Singh had not mentioned this, I would not have wasted the time of the House. I do not believe in mutual recrimination... (*Interruption*)...I further quote from the Economic Survey:

> "As percentage of GDP the Current Account Deficit, averaged around 2.2 per cent during the Seventh Plan as against the projection of 1.6 per cent and the average of 1.3 per cent during the Sixth Plan period..."

In absolute terms it is probably more easy to understand the Current Account Deficit, average 7,772 crores per annum during the Seventh Plan compared to 2,227 crores during the Sixth Plan...

SHRI YASHWANT SINHA: In which currency?

SHRI KAMAL MORARKA: This is, of course, rupees. From Sixth Plan to Seventh Plan the annual deficit is three times—so much for the stable Government, so much for the management of the economy, so much for the world institutions losing confidence after November, 1989. These figures are prior to November, 1989. I do not want to waste much time on figures because the Leader of the Opposition has done an eminent service by quoting many figures as to how the economy was handled between 1984 and 1989. As our senior Member, Bishmapitamah, Mr. A. G. Kulkarni has said, "I should learn to be more pragmatic...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Why are you making him Bhishmapitamah?

SHRI YASHWANT SINHA: Has he taken the vow?

SHRI S. JAIPAL REDDY: At this age he cannot take the vow of celibacy.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Morarka, why is there so much Mahabharata here?

SHRI KAMAL MORARKA: On the macro-economic imbalance this Budget has done the absolutely correct thing that needed to be done. For that I congratulate Mr. Yashwant Sinha, the former Finance Minister, who made this pattern and announced on the floor of the Parliament on 4th March 1991. I must congratulate Dr. Manmohan Singh, for whatever may be the political considerations, he has stuck to that pattern, he has stuck to the prescription given by Shri Yashwant Sinha and whatever macro-economic changes have to take place have been made and no political tinkering was done. In December 1990, Sir, if I remind the House, it is easy to say "I have inherited the economy in shambles." Shri Yashwant Sinha inherited the economy in shambles. Shri Madhu Dandavate inherited the economy in shambles. When did the economy go into shambles? From 1984 to 1989. Why are they running away from that fact? I can understand this and I will be with you if you say, whoever may be guilty, let us now see what we can do. If that is the spirit, I am happy. But that is not the spirit. The spirit is that everything was hunky-dory in the State of Denmark till November 1989 and then the mishap took place that the Congress went out of power and economic ruin took place and the international community lost faith in you. This is fallacious. This is not the truth. "Lie" is an unparliamentary word, so I am refraining from using it. Shri Yashwant Sinha on 4th March told the House and I quote:

> "These developments were not an unfortunate coincidence but were the outcome of shortcomings in the macro-management of the economy in the past. I say this neither in a spirit of acrimony nor with a desire to apportion blame. But the time has come for the Government to share its concerns with the Parliament and the people in an endeavour to evolve a national consensus." A reduction in Government expenditure and augmentation of Government revenue in order to reduce the deficit is a strategy which has been clearly spelt out by him.

Sir, during his speech on 4th March he said that "the fiscal deficit in the current year would be 8.3 per cent of the GDP and in the year 1991-92 we will bring it down to 6.5 per cent of the GDP." That was the first major fiscal correction, Sir. A layman cannot understand it, but those who know a little bit of finance know it. Adjusting 2 per cent of the GDP is a very, very tall order. Sir, it was a very small Government with only 54 Members of the Lok Sabha, but it had the strength of the majority support. It used that majority support to take the people into confidence, to place an agenda before the Parliament and to tell the country that this is what we will have to do. Sir, what happens today? That Government went out of power. Today we have a Government which does not even have majority support. And what does that Government do? It follows this agenda and it quietly puts a sentence as if all these are their ideas and the previous Government had nothing to do with it. The first thing Shri Madhu Dandavate did when he took over the Finance Ministership was that he asked the Economic Advisory Council to produce a status paper on the economy which was published and that paper, that document, forms the basis of of understanding where the economy went from 1984 to 1989. If Dr. Manmohan Singh joins politics I have no objection. I do not have any objection if he takes credit for it. But figures and the national Budget should be sacrosanct. You cannot quietly say that in November 1989 everything was all right. I fear one

[Shri Kamal Morarka]

more thing. You are talking too much of international community. Please don't take the World Bank and the IMF like masses of the Indian public whom you can fool. They read every word in fine print. They know everything that is happening to your economy. They knew what happened till November' 1989. They knew what Shri Madhu Dandavate did. They knew what Shri Yashwant Sinha did. So by making all such statements, I am afraid, the credibility of Government of India will go down in the international community. You cannot make mis-statements. Please don't do that in the Budget document. We are having exchanges here every day. It doesn't matter much. But Budget document is an official document, a statement of the Government of India. Whoever the Prime Minister of the day may be, he should not take liberty with facts. Opinions may differ. Having said that, I will give a basic point. And that is even a lay man knows that most of the problems are created because your expenditure is more than your income, whether it is Indian rupee or whether it is foreign exchange. Budget deficit which used to be only Rs. 1470 crores in 1983-84 went up to Rs. 11,000 crores in 1989-90. When you talk of corrections, first you will have to correct this. Unless you correct this, you cannot correct anything. Any step that you take, whether it is selling public sector shares to get some money or whether devaluation—on which I have a difference of opinion—but these are, you can say, palliatives. But this is not the solution. This is the immediate solution you have given to what you considered a very serious situation. Now the funny part of it is when you devalue, everybody starts saying, "Oh! you have won it. The great thing has happened! you have devalued!" I don't understand. A Budget is not an economic document. It is a political document. We must understand that to divorce budget from politics is something very strange.

The figures should be sacrosanct. But the Government of the day has to own the responsibility for the political philosophy that the budget assumes. I wonder whether this Government has even understood the import of what it has done in the last month. I humbly say that this Government does not have the mandate, it has not got the mandate, to change the accepted national policies which have been followed for forty years. I do not know from where they think they have this power, constitutional or any other. They present a budget. It is not an EXIM policy or an industrial policy. Any Government of the day can do it. But no nation lives by bread alone. There are basic beliefs, ideals, there is the basic ethos of a nation, which, I am afraid, no Government of the day should arrogate itself in trying to change. A Government with more than 400 people did not do it. Mr. Rajiv Gandhi when he came to power on his innocent idealism—because he was not a political person; he had some idealism, some vision of a future, we on this size of the House did not agree with that; but that is a different matter—I have no doub in my mind whatever, he was fired by some idealism. But I am not sure of this Government. I think they are fired by cynicism. This is the most cynical document which places faith on foreigners, while places in faith on a handful of business houses but which has no faith in the Indian people. This is not the ethos of the Indian Constitution. This is not what Mahatma Gandhi and Pandit Jawaharlal Nehru went to jail for. I am really sorry to say that. Mr. Rameshwar Thakur, the Minister of State for Finance, if you go by the logic of market economy which is in vogue, nowadays khadi has no place, handloom has no place. What is all this? Because on pure economics you will not be able to justify the production of khadi and handloom, are we going to give up these? And if we are, who has given you the mandate or the

authority to do so? In a very short spell that they are in power they cannot do permanent damage to the Indian economy. We cannot allow it. The Budget speech says: "Macro economic stabilisation and fiscal adjustment alone cannot safeguard. "I do not know why. Macro economic adjustment leads to correction of fiscal deficit. Reduce Government expenditure and augment the revenues Good. The economy will run properly like before. What is the problem? The problem was you started spending too much, beyond your means. That is why you have landed in a mess. Reduce your expenditure. No, that is not done. What does he say further? "They must be supported by essential reforms economic policy and economic management. The thrust of the reform process would be to increase the efficiency and international competitiveness of industrial production, to utilise for this purpose foreign investment and foreign technology to a much greater degree than we have done in the past." This is totally illogical. It does not follow from this. Your current problems are very very simple. Your internal deficit is high because you are spending more than your revenue. You will have to either reduce expenditure or increase the taxes and that is what you are doing. You have an adverse balance of payments situation because your imports are more than your exports. In 1947 or in 1950, when the Constitution was adopted, Sir, these options were very much open even then. America was the most affluent country even then. It was a super-power and there were countries in the world who were under the American umbrella and who were not spending any money on their defence. They took all the help they could from America and went for industrial development. Sir, it is not that this optional is available to us now and that it was not available then. It is not our leaders, the leaders of that day who were colossuses in their own times and age, it is not that this option did not occur to them Sir, they thought with a cool head, they considered this option and then rejected it. Why did they reject it? This document says the Government wants to remove poverty. Here, I would like to ask a question. Is it that Gandhiji and Panditji were not interested in removing poverty? The famous argument put forth by the Government is that the ground realities have changed. But, in reality is there any change? 70 per cent of our population is still depending on the rains. Nothing has changed. America is still living off the rest of the world. But, yes something has changed. My friend Mr. Viren Shah used to always tell us, "Look, the world is changing, look at Russia." Does any body want to go Russian way? No, at least I don't want to go. Is that our ideal? Certainly not. In a world where there were two distinct ideologies, one, which depended on production and incentive and the other which believed in a totally regimented economy where even political freedom was not available, here in India we had Mahatma Gandhi, Jawaharlal Nehru, Sardar Patel, Maulana Azad, etc. who came out with a brilliant concept that we must have some kind of economic regimentation, but full political freedom. Sir, ours has been a unique experiment in the world history. One-seventh of the humanity stays here. We were fortunate to have leaders who were taller than the tallest of the world leaders. Now, where are we landing. Now, we have a puny leadership which is ashamed of its own past and which is looking to foreigners to bail them out. Sir, I do not know what is happening. Dr. Manmohan Singh, in his Budget speed said that he came from a poor family and, "I have studied on scholarships and I know what hardships are like." Sir, I agree with him. He has his own concept and his own vision of a future... (*Interruptions*)...

SHRI A. G. KULKARNI: I would like to draw your attention to one thing. Mahatma Gandhi and Nehruji

[Shri A. K. Kulkarni]

had a vision and they decided on a course commensurate with the conditions prevailing at that time Now the entire world is changing... (*Interruptions*)...

SHRI KAMAL MORARKA: That is exactly what I am saying. The world is not changing. The world is the same. America is still dominating the world. India is still a developing country. Seventy per cent of our population is still dependent on the rain. The world has changed for two types of people. It has changed for Russia and the Eastern block who has suddenly got bitten by the market economy bag and it has definitely changed for 10 per cent of our population who have got seven brands of washing machines when there are more than one lakh village which don't have drinking water. Certainly it has changed for them. My question to the Government is, are we going to depend on the goodwill of a handful of business houses and the foreign concerns, or are we going our traditional way which still relies on the vast body, thousands and thousands of small and medium entrepreneurs? The central question is why we are trying to run away from it.

SHRI A. G. KULKARNI: Who has said "not"? ...(*Interruptions*)...

SHRI CHATURANAN MISHRA: They will never agree ... (*Interruptions*)...

SHRI KAMAL MORARKA: That is the legacy. In his Budget speech, the Finance Minister says that Jawaharlal Nehru was very much concerned about the removal of poverty through the development process etc... (*Interruptions*)...

SHRI A. G. KULKARNI: Leave the political part of the Budget out etc... (*Interruptions*)...

SHRI KAMAL MORARKA: Sir, Apa Saheb Kulkarni is leaving out the political part of the Budget, and that is the whole problem. It is not a coincidence, it is correct, that only twice devaluation had taken place in this country and both the times there were non-political theoreticians as Finance Ministers. In 1966, we had devaluation. The same clinical approach was adopted by Shri Sachin Chowdhury, because he was not concerned with politics, he had nothing to do with the people. Therefore, he had the clinical approach, the surgeon's approach. It is like the surgeon going to the patient for operation. He will use his professional skill and say to the patient "Best of luck" and if the operation fails, "I am sorry; I can't help.". So, this is the surgeon's job. But a politician, on the other hand, cannot do it because he is attached to the patients and he cannot allow the patients to die. He will not undertake a risky operation. It may take a longer time for the patient to recover, but he will not adopt the clinical approach, the surgeon's approach. His method will be devoid of the clinical approach. If you think that the people of India have given you the mandate for this, then, I am sorry, this is a misunderstanding; please banish it from your mind.

Now, I want ask one thing from Shri Kulkarni.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Why do you want to ask him? You ask the Finance Minister.

SHRI KAMAL MORARKA: All right. Let me ask the current Messiahs of prosperity and let us see what Mr. Manmohan Singh and his Government have got to say to this: If we have large investments, foreign technology in the country, large industrial development, etc., etc., will it change the economic picture of the country? Will our per capita income go up significantly? Please remember that whatever investment comes is to be divided by 88 crores. Therefore,

coming back to the relevance of what Gandhiji, Panditji, Sardar Patel and Maulana Azad thought, the point is that there is no use if you get foreign technology, foreign help etc. If you get foreign technology, foreign help, you will be surrendering a part of your independence without commensurate gains. Sir, as somebody said, if you sell yourself for a price, it deserves condemnation; if you sell yourself without a price, it deserves contempt!

Now, I do not know what all we are going in for. We are not getting anything out of that. This is the position.

Sir, the peculiar part of such a hybrid document as this Budget Speech is that after going half way in the Budget, suddenly,—after all, he is a part of the system and the system takes over—you see that there is a plethora of committees and commissions which are going to be appointed. which is not at all good for the economy which he wants to save. If you are going in for market economy, why a Tariff Commission? If you are going in for a market economy, why is there a Chief Commissioner for Non-Resident Indians? This is another hoax which you must understand. Who is an NRI? Under the Income-tax law. anybody who stays abroad for more than six months in a year or, in the first two years, for more than 270 days, is a Non-Resident Indian. Every worker who goes abroad to work in the Middle-East is a Non-Resident Indian.

SHRI BHUVNESH CHATURVEDI (Rajasthan): You should have been declared as such!

SHRI KAMAL MORARKA: Yes, Sir. Most of the MPs would be better off as NRIs. Mr. Chaturvedi has said a very relevant thing. Now, what amount of NRI money are you expecting? There are a few business houses abroad who are people of Indian origin and they are settled there. You want them to bring their money into India? The Government of the day can talk to them and say, "Please put up your factory here, etc. etc." It is enough for them. You don't have to take out bonds, etc. You want the doctors, engineers, etc. who are working there to put in their money in your bonds? They won't put it in your bonds. They will put it where it is better invested, in lucrative schemes What is this meant for? It is meant for the Indian money to turn round and round easily. Then why for Non-Resident Indians alone? Why not a scheme for all Indians? It is good as long as they bring dollars? Is it enough if you get dollars? Have you come to such a pathetic condition? Have you come to such a condition as it is in Russia where you have got dollar shops? You see, in Russia now, you do not get anything for roubles, but if you give dollars, you will get everything. Similar, if sugar is not available for rupees here. You pay one dollar and you get the sugar! There has to be a limit to our irresponsibility or running away from the problem.

Another sentence am hearing now: We cannot remain in isolation from the global economy. No country can remain in isolation. But in a country where the population is 88 crores you can't have an export-oriented economy because the world is thinking of exporting to you. They think you are a big market. There is a genuine misunderstanding, Sir. (*Interruptions*) The whole world is looking to India as a market because 88 crores of people are living here, and they are going to do business here. And the Government says: Nothing doing, we should export to the world. Export to whom? To Singapore? To Taiwan? to Korea? To whom?

SHRI VIREN J. SHAH: A bigger country like China has a much better balance of trade position because of a particular policy they have followed, and with a 17 billion dollars exchange reserve now.

SHRI KAMAL MORARKA: He and I never agree. There is never a problem. (*Interruptions*)

श्री हरवेन्द्र सिंह हंसपाल (पंजाब) : चायना में मल्टी नेशनल तो नहीं है?

श्री वीरेन जे० शाह : उसमें तो आपसे ज्यादा है।

श्री हरवेन्द्र सिंह हंसपाल : उसका सवाल नहीं है।

SHRI KAMAL MORARKA: My precise case is that I am against those who look up to America, I am against those who look up to Russia and China. Please look up at India. I want to know from the Congress Party this: There are various lobbies working; is there a pro-India lobby? I would like to meet them. Is there anybody who still thinks that what Pt. Nehru said was quite right? Or is it a unanimous opinion that what Panditji said is no more relevant? I did think that what Panditji stood for is a dynamic concept. It moves with the times. Did his concept of Non-alignment become irrelevant? What is our cherished ideal of nationalism? The Indian National Congress at one time passed a Resolutions, not pre-independence but even post-Independence. They were landmarks in the economic history of the country, because the Congress Party was the only party which was in power. There was the 1964 Bhubaneswar Resolution. Are you giving it a formal burial or is it a hasty, indecent burial in the darkness of night. What is it?

The worst part is that the one thing which Shri Manmohan Singh has done is right: correcting the economic imbalances, which Shri Yash. want Sinha was going to do, but on that his preamble is wrong. He is blaming the National Front Government and Mr. Yashwant Sinha. But the action is correct. On the rest of the Budget the preamble talks of Jawaharlal Nehru but the action is contrary to what Pt. Jawaharlal Nehru stood for. Sir, I have nothing more to comment on his speech. Where the action is correct, the reasons are all wrong; when the ideals are right, the action is wrong. Not only that. He says "In India we launched an experiment under the leadership of Pt. Nehru, an experiment which sought to unite and strengthen the merits of different approaches to accelerated development of our backward economy." He has also referred to the values of a democratic system, where is the democratic system in danger? Are they doing anything which is going to hurt anybody? You are going in for total liberty of the individual, the survival of the fittest. If the foreign corporation is strong, it will elbow the Indian large house out. if the Indian large house is strong it will elbow the middle entrepreneur out; and if the middle entrepreneur is strong it will elbow the small entrepreneur out. Democratic value of the system is not in danger. What is in danger is Socialism. Mr. Manmohan Singh says...

AN HON. MEMBER: You have become a great socialist!

SHRI YASHWANT SINHA: We took an oath under the Constitution. *(Interruptions)*

SHRI KAMAL MORARKA: Shri Manhoman Singh says that he was born in a poor family and he traversed the path. Let me tell this House that I was born in a rich family, with a silver spoon in my mouth. But I was always taught that certain values precede your idiosyncrasies and personal consumption. We were told that merely because you have money, it is an accident of birth and it is not an achievement because of your personal quality. Therefore, you must always see the good of the maximum people. That is what Gandhiji stood for. Gandhiji was staying in Birla House. But part of Gandhi was transmitted to G. D. Birla who took to simplicity, regular habits and less ostentatious living.

Sir, today still politicians and businessmen meet. But the rubbing is the other way round. We soon find the politician wearing a safari suit, the politician acquiring a video and TV and all the luxuries. Sir, I can understand that the business community or the industrial communtiy is far removed from the people. So, if they indulge in certain things, one can say, they are short-sighted and they do not understand. But the political people are interacting with the people all the time. They cannot afford to overlook the mood of the people. This Budget gives legitimacy and a formal approval to high living. Sir, this is a basic about-turn in the Indian value system. One can turn around and tell me, this is what everybody is doing. If everybody was and is doing it, it is incumbent on the leaders of all parties to weed such people out. It is not to formalise it. But the entire Budget is an exercise in formalisation. If you have not paid your income-tax, okay, less tax will apply to you. You have kept the money abroad? Okay, you bring it by this route. The entire Budget is a soft Budget.

Dr. Manmohan Singh said that correction of any imbalance is a painful exercise. Sir, I see no pain in this to the rich man. The pain is to the poor man. In fact, I may add that the farmer or the worker can never benefit from this Budget. At one point, Dr. Manmohan Singh has said on this loan waiver scheme that Rs. 1500 crores have been provided; another Rs. 1500 crores have to be provided and it has a deleterious effect on the finances. Now, Sir, there can be two opinions on the loan waiver scheme. There are many of us who feel that the scheme could have been better tailored. There are many ways to give benefit to the farmer without directly writing off the loans because it has other repercussions like the credibility of the banking system and other things. But it does not lie in the mouth of this Government to talk of finances, a Government which can exempt from tax all donations given to the Africa Fund, a Government which can donate Rs. 100 crores to the Rajiv Gandhi Trust. Mind you, I am not passing any value judgment on both. But that speech cannot contain a reference that writing off of farmers' loan was wrong. Sir, this itself is an eloquent testimony to the elitist thinking that this Government has. And about the workers, the same painful exercise that we will do this and that. Of course, they have not said that the workers are going to be unemployed. They said that 'we will have a social security net.' Sir, it means that the workers will go out of their jobs. I don't understand this. From 1984 to 1989, you allow import-led growth with all these units coming up which have high import content. I don't hold any brief for them. Today you say, import only if you can export. A very good news. But the problem was created by you. Sir, somebody said, "my wife is very good; she helps me to solve all my problems which would not have been there had I not married her." Sir, I appreciate this Government. It is helping us. It is helping us to solve all these problems which would not have been there had they not been in Government from 1984 to 1989. But, Sir, I leave it at that.

Sir, assuming that their intentions are good, they are fired with the patriotic zeal as everybody sitting on this side are, and they genuinely believe that foreign investment and all that will bring a new era of prosperity, as definitely by friend Appasaheb does, I want to put a simple question. Everybody knows that 40 per cent people live below the poverty-line. That is the focus of all problems. Sir, in India, poverty has to be banished only through the employment route. Everybody cannot become an enterpreneur or somebody. Basically you have to give employment. Sir, is there a single item in this Budget or in the industrial policy or in the Exim policy or in all the glasnost and perestroika that it floating around the country for the last one month which talks of employment generation? There is a

[Shri Kamal Morarka]

threat of a social security net for people already employed, getting unemployed. But there is no strategy for employment. Without employment generation there cannot be poverty alleviation. And here I am reminded of a Laxman's cartoon. After election, on the steps of Parliament House, a big building, two people in tattered clothes are sitting. One is called poverty and the other is called unemployment, and the new rulers are going inside the Parliament House. One is saying to the other: 'I suppose now it is their turn to remove us'. Sir, poverty and unemployment cannot be removed. But you will have to have a strategy which will go to reduce the problems.

My friend Prof. Thakur made a valiant attempt to defend the indefensible. But I do not understand certain things which he said. He said: If my friends on the other side take to riots, we have made provision for a riot fund, etc. Sir, have they even thought as to why the political situation or the socio-economic tension in this country has accentuated? Who has create it? The word 'terrorism' was not hard in India before 1980. Before 1980 we did not know anything of these problems. All these problems are post-1980 period problems. Of course, I can excuse them if they see no connection with their remaining in power or their administering the country and the increase in these problems. These are two mutually independent things. "18 months' gross mismanagement that has taken place, has accentuated...." This is a kind of a simplistic theory which they expect a common to swallow. But it is too late in the day. I do not understand this Backward Corporation. I am not against it; but a much more imaginative work has to be done. Just because Mr. V. P. Singh is championing that word, you open a fund! Do you think anybody will be impressed? You are wasting Government money without getting any vote also. Backward will still vote for Mr. V. P. Singh if there is anything like a backward vote. It will not come to you because of such funds or such corporations. I do not understand how such a simple thing is not being understood by these people.

श्री राम नरेश यादव (उत्तर प्रदेश) : क्या आप चाहते हैं कि नहीं होना चाहिए ? आपकी पालिसी यह है कि बैकवर्ड क्लास के लिए कमीशन नहीं बनना चाहिए ?... **(व्यवधान)** जब कमीशन बनने की बात आई तो उसका विरोध कर रहे हैं ?

श्री कमल मोरारका : हमारी पालिसी यह है कि आप पावर में मत रहिए।... (व्यवधान) देश के लिए हानिकारक है आपका पावर में रहना।... **(व्यवधान)**

Now, Sir, there are two biggest condemnations that this Government and its policies have got from certain sources and one source which has praised them is the newspapers in America and England. "India retreats from the socialist path" New York Times. "Finance Minister Manmohan Singh set into motion a range of changes intended to turn India back on matters of insularity and government control and to attract foreign money". So, the America press praises them; they are happy....

PROF. CHANDRESH P. THAKUR: What about Indian press?

SHRI KAMAL MORARKA: Whom does the Indian press belong to? I am surprised. You walk into my trap. Thank you. Are the Indian press-owners or the Indian editors a different class than the class you seek to help? Everybody with income of over five thousand or eight thousand has found the quality of life improving under Mr. Rajiv Gandhi. It is not surprising. That is precisely what I am saying.

The second compliment came from Mr. Jaswant Singh of BJP. He has given his comment to the press. "I welcome the Budget because it rejects

the Nehruvian model and we have always been against the Nehruvian model." Sir, I don't think anybody can praise you to condemnation more than what Shri Jaswant Singh has done. I suspect only one thing in this. If there is a method in this madness which I am trying to discover, there can be only one thing. The strong sense of Indian nationalism which the Congress (I) was characterised by and which has slowly been taken over by the BJP, probably the Congress wants to reaffirm that BJP is a nationalistic party and it is prepared to give up the national ideals for the BJP.

SHRI VIREN J. SHAH: If that happens, that will be great revelation.

SHRI KAMAL MORARKA: They are talking about liberalisation and making more changes towards licensing and bureacrautic controls etc. But how do we invite foreigners with 51 per cent equity? This is a large range of industries. The Government policy document says in Annexure 3 'list of industries for automatic approval'. The Government will have no control on foreign technology approvals and 51 per cent foreign equity. First of all, removing this distinction of technology and equity is the most foolish thing. The Indian industry will suffer. I am amazed that the Indian industry welcomes the Government at all times. They have got into this habit. Whether the Government revalues or devalues the money, they are not bothered. If the Corporate tax increases, the share market goes up; if it is reduced, then again, the share market goes up. I am sorry, I am not one of those who can be that consistent or dynamic in this respect. This list consists 34 items.

SHRI SUKOMAL SEN: You are also an industrialist.

SHRI KAMAL MORARKA: The national bourgeoise will be hurt, in your language. It is an open invitation to the comprador bourgeoise to take over. I hope I have made myself clear. This list has items like boilers and steel generating plants. Imagine, the world's biggest boiler manufacturer comes to India and puts up a plant; automatic approval would be given to him. He has to set up the plant on whatever capacity he has and the boiler manufacturers in India will go out of the market. Another thing is that for all food processing industries other than malted food, milk food and flavour, that means Pepsi Cola, equity has been increased to 51 per cent. What kind of a joke? Who has given the mandate to close the entire Indian sector? I think there is a misreading. This was nowhere in the manifesto either during Jawaharlal Nehru's or Indira Gandhi's time. Even Shri Rajiv Gandhi would not have agreed to it. He had been in office for five years. All these ideas were there. Notes were there. But he stopped processing as he thought the consequences would be grave. But what this minority Government is doing, I do not know. Who is dictating to them? Two theories are there. One is, we are in a tight corner. There is no alternative. The country is about to go into default. So, we have to do it. The second theory is even more dangerous. If the first is true, then we will have to pay a very heavy price for solving this problem. In a cold wintry day, we need to keep ourselves warm. But we don't burn our furniture. If the country is in a tight corner, they should have talked to us. They should have evolved a consensus. They should have come to us and said 'let us all stand together'. But what they have done is they have capitulated to the IMF. If an army is surrendering, they do not ask for anybody's help. You can surrender yourself. But the Government should have come in for a national consensus to arrive at conclusions. They should have had the guts to talk to trade unions. There will be a wage freeze'. Then, they will also come up with a counter-

[Shri Kamal Morarka]
proposal. No such discussion. Why? Because that is a hard option. Therefore, you go in for the soft option. You take loan and spend that money like you did last time. Then, after another five years, some other expert will come and say 'I am a bigger expert than Dr. Manmohan Singh; I will bail you out of the mess that we are in'.

Then, Sir, the second theory is more dangerous. Dr. Manmohan Singh finds nothing wrong with the conditions of the IMF. He says that the IMF conditions are a blessing in disguise. It means, we ourselves believe in these changes. Now, at what time did this metamorphosis take place in the Congress Party? Forget about a debate in the country. Forget about Parliament. At least, have a debate in the Congress Party. How can Congressmen who have had a role in the freedom struggle be a party to this and sign this instrument of surrender? They will not do it.

SHRI BHUVNESH CHATURVEDI: Don't divide us. (*Interruptions*).

SHRI KAMAL MORARKA: I am not one of those who is interested in your Party splitting. But I am interested in one thing. If you have a stomachache, don't take medicine for headache. If you do so, not only your stomache will remain, but you will also be paying for that medicine. You have a balance of payments crisis. Resolve it. It can be resolved by a simple method. If you have macro-economic imbalance, resolve it. You do it. But it is a different thing if you are going to open up the entire range of things which will unleash the forces. 'We want to unleash the animal instincts in the entrepreneur'. This is what the Finance Minister has said. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Morarka, you Budget your speech now. (*Interruptions*).

SHRI KAMAL MORARKA: Sir, I have dwelt at some length on the Budget document.

SHRI HARVENDRA SINGH HANSPAL: He is making a political speech.

SHRI KAMAL MORARKA: I am making a political speech.

SHRI ASHWANI KUMAR (Bihar): It is a political document.

SHRI KAMAL MORARKA: There is one statement from which we take 24 hours to recover and then there is another statement. The Finance Minister goes on giving statements. Are they approved by the Prime Minister? Does the Prime Minister read them? The other day, there was a debate on the TV. Believe me, I have not seen such a debate. The participants were: Dr. Manmohan Singh, the present Finance Minister, Shri Madhu Dandavate and Shri Yashwant Sinha. I do not know what Mr. Yashwant Sinha said. Whatever he said, Dr. Manmohan Singh turned round and said 'You people were sleeping'. He was the Economic Advisor to the Prime Minister. At least, he could have said 'We people were sleeping'. He said 'You people were sleeping'. His English was wrong. But Sir, the facts will prove that it was Mr. Yashwant Sinha who drew the attention to the macro-economic imbalance, it was he who brought it to our notice and it was he who wanted to correct it. But we were not allowed to present the full Budget. We are told that we were sleeping. Then, for instance, the charge against Prof. Madhu Dandavate. The charge against the much beleagured Professor is that he once said that the coffers were empty as if because of that remark, the entire economic system collapsed.

SHRI CHATURANAN MISHRA: You said you were not allowed to present the full Budget. What does

it mean? Which were the forces which prevented you from presenting the Budget?

SHRI KAMAL MORARKA: We were a minority Government, supported by the Congres Party.

SHRI CHATURANAN MISHRA: Why did you not present the Budget? Who topped you?

SHRI KAMAL MORARKA: We were told by the Congress Party at that time that we should not present the full Budget. They said that many MPs would be engaged in the Tamil Nadu elections and that, therefore, ensuring attendance in the House would be difficult.

SHRI S. K. T. RAMACHANDRAN: Was it out of fear that you would fall that you did not present the Budget?

SHRI KAMAL MORARKA: If we had fear of fall, we would not have resigned.

SHRI S. K. T. RAMACHANDRAN: You said that we asked you not to present the Budget.

SHRI KAMAL MORARKA: Mr. Ramachandran, I hope you know that you did not withdraw your support. Your leader, the late leader, repeated it ten times that he never withdrew support. He gave support voluntarily. Anyway, that is not the point here. (*Interruptions*). There is another thing said by Dr. Manmohan Singh. He is the Finance Minister. Otherwise, I am not worried. He comes up with a statement that the foreign equity will be even 100 per cent, what to speak of 51 per cent. Apart from the merits of it, while presenting the Budget seven days ago, he could have said so in the Budget. Did he say it after getting another telephone call from Washington? Are we changing our policies on the basis of daily telephone calls from Washington? If it is so, the sooner it is stopped, the better.

Then, there is another thing. "Question: Why did they not make it public, i.e. the loan?" "Answer: Well, this is the way things were going on in this country. They were saying that the foreign exchange reserves were going up till July last year, but this was due to... (*Interruptions*). The National Front Government say that the people should have known it." The documents were placed, the House has discussed the matter. I, as a member of the National Front party, participated in the debate and this is the way how things were run. If there was any accountability or sense of responsibility, it was in the period after the Congress Government went out and till the Congress Government came back to power. If there was total lack of responsibility, if there was total unconcern for the poorer sections of the people it was between 1984 and 1989, and I am afraid we are entering that era again.

Every budget is not an epoch-making budget. At one point Dr. Manmohan Singh says, "The decision that we now take will have bearing on the shape of things to come for a long time." I have no doubt about it. What you are doing now, it will take years and years before the country knows what hit the country.

As regards the ideals of freedom fighters, I am in no doubt that by default or by design they have been laid to rest.

Thank you.

श्री चतुरानन मिश्र : उपसभाध्यक्ष महोदय, यह जो बजट आया है, इस बजट को, उसके पहले जो मुद्रा का अवमूल्यन हुआ है, जो औद्योगिक नीति आई है, जो व्यापार-नीति बनी है और जो रेलवे बजट है, इस पृष्ठभूमि में इस बजट को देखा जाना चाहिए और उसके देखने से मैं निश्चितरूप से कह सकता हूं कि इससे मूल्य वृद्धि होगी और बेरोजगारी बढ़ेगी तथा औद्योगिक क्षेत्र में भारी अशांति होगी। बड़े पैमाने पर कल-कारखाने बंद होंगे और

[श्री चतुरानन मिश्र]

देश में अशांति फैलेगी। इससे उत्पादन घटेगा और हमारी ऋणग्रस्तता और भी बढ़ेगी। इसी कारण से मैं इस बजट का विरोध करता हूं। लेकिन इस बजट का जो दूसरा पहलू है जैसे लाइसेंस परमिट राज खत्म करने का, सरकारी खर्चा कम करने का, उसका मैं स्वागत करता हूं। जहां तक विदेशी पूंजी को हिंदुस्तान में लाने की बात है हम उस हद तक विदेशी

[उपसभाध्यक्ष (डा. नगेन सैकिया) पीठासीन हुए]

पूंजी लेने के लिए तैयार हैं, एक सीमा के बाहर ऐसी कोई शर्तबंदी न लगाई जाय जो हमारे देश के हित में नहीं है। हमारे देश के हितों के खिलाफ है या वे ऐसे उद्योगों में वह आय जिनमें हम खुद आत्म-निर्भर हैं। इस दायरे में हम विदेशी पूंजी भी लेने के लिए तैयार हैं। महोदय, मेरा जैसा आदमी यह समझता है कि जिन उद्योगों में हम आत्मनिर्भर हैं उन उद्योगों में अगर बहुराष्ट्रीय कंपनियां आयेंगी तो हमारे देश का दिवालियापन यह होगा। यह तो सही है कि जो ओवर शेल्टर्ड मार्केट हैं इंडियन पूंजीवाद के वह बहुत ज्यादा मुनाफाखोरी करते हैं, इसको तोड़ना चाहिए लेकिन इसका तरीका यह नहीं हैं कि हम उस राक्षस को बुला लें जो सब निगलकर खत्म कर दे। इसलिए मैं विदेशी पूंजी को उस हद तक लेने के लिए तैयार हूं जो हमारे हित में हो। ऐसा करने के लिए अभी जो खुली छूट दी गई है हमको इस पर इसी दृष्टिकोण से विचार करना चाहिए।

5.00 P.M. जहां तक इंटरनेशनल मोनिटेरी फण्ड से कर्ज लेने की बात है, मैं नहीं समझता हूं कि यह कोई अधर्म या धर्म है। इस लिहाज से मैं नहीं सोचता। मैं इस लिहाज से सोच रहा हूं कि भारत सरकार अगर कर्ज चुकाने के लिए कर्ज ले रही है तो यह प्रोसेस ऐसा शुरु हो जाएगा कि हमारी हालत दक्षिण अमरीका के लोगों की तरह हो जाएगी और हम बार-बार कर्ज में फंसते चले जाएंगे। अगर आप कर्ज लें जिससे हमारे यहां कल-कारखाने खुले, सिंचाई का इंतजाम हो, बिजली का इंतजाम हो या ऐसी कुछ बातें हों तब तो सोचा जा सकता है। अगर इस बात के लिए कर्ज लेते हैं जैसे कि अभी मुझसे से पूर्व वक्ता ने और कुछ माननीय सदस्यों ने बताया कि सातवीं योजना के समय में सब से ज्यादा कर्ज लिया गया था। करीब 40 हजार करोड़ रुपये का हमने विदेशी कर्ज लिया जबकि हम उस वक्त भी सरकार से कह रहे थे कि सरकार की नीति ऐसी लग रही है जैसे हमारे शास्त्रों में लिखा हुआ है—ऋणम् कृत्वा घृतम् पिबेत। उसी आधार पर आप कर्ज ले कर खूब आराम से रहे। कांग्रेस सरकार यही कर रही थी और इसी के परिणाम स्वरूप आज की स्थिति पैदा हुई है। मैं यह कह रहा था कि अभी जैसे कहा जा रहा है कि कोई बड़ा संकट आ गया है, विपत्ति आ गई है, ऐसी तो कोई बात नहीं है। यह तो आपके द्वारा उत्पन्न किया गया संकट है। इसलिए मैं समझता हूं कि अगर आप एक बात को स्वीकार करें कि आप की नीति के चलते, विदेशों से बिना नियंत्रण के ऐशो-आराम की चीजें आने के चलते, या उस क्षेत्र में पूंजी के आने के चलते जिसमें हमको जरूरत नहीं थी, अगर यह विदेशी मुद्रा का संकट पैदा हो गया है तो इसको ठीक करने का इंतजाम भी उसी तरह से करना होगा क्योंकि आपने यही गलती की है और फिर दूसरी गलती के लिए आप ही दौड़ रहे हैं।

इसी तरह से अवमूल्यन के बारे में कहूंगा। अवमूल्यन की जहां तक बात है, कुछ माननीय सदस्यों ने कहा कि सोवियत संघ में भी हुआ है, चीन में भी हुआ है। उपसभाध्यक्ष महोदय, वहां हुआ है लेकिन मैं सरकार से एक प्रश्न उठाना चाहता हूं। वहां पर कोई पूंजीपति नहीं है, न रूस में है, न चीन में है। इसलिए अवमूल्यन का मुनाफा उनको नहीं हुआ लेकिन हमारे यहां (व्यवधान) पूंजीपति समुदाय है।

श्री विठ्ठलभाई मोतीराम पटेल (गुजरात) : अब वहां जा रहे हैं। (व्यवधान)

श्री चतुरानन मिश्र : आप हमारी बात तो सुन लीजिए । हमारे यहां जो प्राइवेट सेक्टर के लोग थे उनको मेरे ख्याल से इस अवमूल्यन से तीन हजार करोड़ रुपये से ज्यादा का फायदा हुआ है । सरकार आपकी है, अगर मंत्री महोदय जिम्मेदार है तो सदन को कहें कि इस अवमूल्यन से भारत के पूंजीपतियों को सीधा कितना मुनाफा हुआ है । मैं आपको एक उदाहरण देना चाहता हूं । यह भी जो अवमूल्यन हुआ है इसके लिए अन्तर्राष्ट्रीय माहौल पैदा किया गया था । अन्तर्राष्ट्रीय एजेंसियों ने यह हल्ला करना शुरु किया कि भारत का क्रेडिट रेटिंग जो है वह घटता जा रहा है । बहुत जोर से इसका प्रचार हुआ । उन्होंने इस ढंग से प्रचार किया जिसका शिकार हमारे अपने देश के अखबार भी हो गये चाहे वह लंदन के प्रचार करने वाले हों या अमरीका के प्रचार करने वाले हों उन कम्पनियों ने एक पर एक ऐसा प्रचार किया कि भारत कर्ज में डूब रहा है और भारत का क्रेडिट चुकाने का सामर्थ खत्म होता जा रहा है । यह उन्होंने चारों तरफ से हल्ला किया और उस हल्ले के वातावरण में जो भारत में पूंजीपति थे जिन्होंने भारत का माल बाहर बेचा था उन्होंने उस माल का पेमेंट लेना बन्द कर दिया । सरकार अगर ईमानदार है तो कहे । हमारी सूचना के मुताबिक एक बिलियन डालर रुपया महीनों विदेशों में रखा गया क्योंकि उनको यह जानकारी थी कि रुपये का अवमूल्यन होगा तब उनका मुनाफा बढ़ जाएगा । यह उन्होंने किया है और यह सरकार के पास आंकड़े हैं । मैं आपसे कहना चाहता था कि यह जो आपने अवमूल्यन किया है । वह कोई अनिवार्य नहीं था । अंतर्राष्ट्रीय पैमाने पर जो अंतर्राष्ट्रीय पूंजीशाही है उसने जो इसका प्रचार शुरू किया इसके आप भी शिकार हुए हैं, हमारी सरकार भी इसकी शिकार हो गयी है । इसी के चलते आप कह रहे हैं । मैं एक उदाहरण देना चाहता हूं । एक कम्पनी जिसने यह प्रचार किया कि भारत की क्रेडिट चुकाने की जो क्षमता है उनका जो नम्बर है वह बी.वी. पर चला आया है यानी न्यूनतम पर चला गया है । यह उन्होंने प्रचार किया । वह कम्पनी है स्टेंडर्ड एंड पूअर । उसी ने वेनेजुएला के बारे में फोरकास्ट किया था कि उसका ग्रेड "एए" का है, जब कि कुछ ही हफ्ते के बाद वह विदेश का कर्जा नहीं चुका सका । इसके बारे में उन्होंने ऐसा प्रचार किया । चूंकि हमारी सरकार, भारत की जो भी सरकार रही हो वह इंडिपेंडेंट स्वतंत्र विदेश नीति अख्तियार करती रही है इसलिए इन लोगों ने हमारे खिलाफ यह प्रचार किया कि हमारी जो क्रेडिट है वह बिल्कुल समाप्त हो गयी है । क्या सचमुच ऐसा था ? क्या भारत ऐसी स्थिति में था ? मैं आपको कहना चाहता हूं कि और सरकार इस बात को स्पष्ट करे, कि उस वक्त भी और भी हमारे पास 335 टन सोना है, अगर हम सिर्फ वही बेच देते तो भारत का कर्ज समाप्त हो सकता था । उस राष्ट्र के लिए यह कहना कि दिवालिया हो गया है, एक फरेब था, अंतर्राष्ट्रीय षड़यंत्र था, एक साजिश थी जिसके शिकार आप लोग हुए हैं और इसके चलते आपने अवमूल्यन किया । यह एक प्रत्यक्ष बात है जिसके बारे में हम आपसे कहेंगे । इसी प्रचार के कारण यह हुआ कि जो नान रेजीडेंट इंडियन्स थ उन्होंने देखा कि हमको भी फायदा होगा और उन्होंने भी यही किया कि अपना रुपया आना ही नहीं रोक दिया बल्कि भारत से रुपया हटाने भी लगे... (**व्यवधान**)...

श्री सुरेन्द्रजीत सिंह अहलुवालिया (बिहार) : आपके विश्वनाथ प्रताप सिंह जी ने कहा था कि तिजोरी खाली है, भारत के खजाने खाली हैं, दिवालिया हो चुके हैं । ये सब बाहर के कहां थे, ये सब हिंदुस्तान के थे । आप तो उनके समर्थन में थे ।

श्री चतुरानन मिश्र : हम समर्थन में थे लेकिन हमारे देश में यह तरीका है कि जो भी सरकार आती है वह पहले की सरकार के बारे में कहती है कि दिवालिया कर गये । खाली हैं, खजाने में सियार भूंक रहा है । यह आप भी कहते हैं, वे भी कहते हैं । यह राजनीति है । लेकिन हमको मतलब है कि किन कारणों से ऐस

[श्री चतुरानन मिश्र]

वातावरण पैदा हुआ। उसकी हमने आपसे चर्चा की कि ऐसा हुआ है। आप पूछ सकते हैं कि क्या विकल्प था क्योंकि तुरंत इस कर्ज को चुकाना था। कोई भी कारण हो। कांग्रेस की सरकार ही कारण हो। लेकिन आप पूछेंगे कि क्या सचमुच हम तुरंत यह कर्जा चुका सकते थे, बिना अंतर्राष्ट्रीय बाजार से ऋण लिये? तो मैं कहने के लिए तैयार हूं कि हम ऐसा कर सकते थे। मैं आपको एक और सूचना देना चाहता हूं न सिर्फ यह बल्कि भारत का जो माल विदेश में बेचा गया उसमें एक बिलियन डालर रोक कर रखा गया। अगर आपकी सरकार चाहती तो उनको बाध्य करती कि वह रुपया हमारे देश को दे दो। इससे एक बिलियन डालर मिल सकते थे। मैं एक दूसरी बात कहना चाहता हूं। मैंने वित्त मंत्री को कहा भी है। उन्होंने कहा है कि हम जांच करके आपको कहेंगे। आपकी सरकार आने के पहले हमारे यहां जो एम०एम० टी०सी० है, जो स्टेट ट्रेडिंग कारपोरेशन है, वे जापान के साथ करीब-करीब एक समझौते पर पहुंच गये थे। वह समझौता था कि एक बिलियन डालर की आयरन और खारमेंटस या दूसरी चीजें जापान खरीदेगा। यह एग्रीमेंट लगभग पूरा हो चुका था मैं मंत्री महोदय से जानना चाहूंगा कि किसने इसको सैबोटाज किया। अगर वह एक बिलियन डालर हमें मिल जाता तो हमारे पास दो बिलियन डालर हो सकते थे। अभी तक आपने अंतर्राष्ट्रीय कोष से जितना रुपया लिया है वह एक बिलियन डालर भी नहीं पहुंचा है। इसी तरह से हम आपसे कहेंगे कि हमारे पास चीनी का बड़ा स्टाक था, आप चाहते तो इसको कुछ तादाद में बाहर बेच सकते थे। इस साल तो सूखा पड़ गया है नहीं तो हमारे पास अन्न का स्टाक था, हमारे पास छोआ मोलेसिस था या ऐसे सामान सरप्लस थे जिनको बेच सकते थे। एक काम और आप देखिए कि कैसे आप इसको कर रहे हैं। भारत में जो कार वाले लोग हैं, धनी मानी लोग हैं वे पेट्रोल खर्चा करते हैं। करना चाहिए। गाड़ी है, कार है। तो वे पैट्रोल निगलते हैं और जो बिना कार के हैं उन्हें उल्टी करवाते हैं तमाम भारत की जनता से कि पैट्रोल के दाम बढ़ गये हैं इसलिए अवमूल्यन करना होगा। इसलिए हम विदेश से कर्जा लेंगे। साधारण जनता को कार वाले के खातिर क्यों तंग करते हैं?

अगर आप चाहते, तो पैट्रोलियम आयात में अनिवार्य कटौती कर देते कि पांच प्रतिशत सब का घटा देंगे। मैं भी उद्योग-धंधे से संबंधित आदमी हूं, पब्लिक सेक्टर और प्राइवेट सेक्टर को जानता हूं, अगर पांच प्रतिशत कटौती कर दी जाए पैट्रोल, डीजल वगैरह के खर्चे में, तो बिना दिक्कत के चल सकता है, जितनी बरबादी हम इन चीजों पर देखते हैं। इससे कोई भी दिक्कत नहीं होती। तब हम कर्ज लेने की जरूरत में नहीं जाते।

मैंने आपसे पहले कहा कि यह ऋण जो आपने लिया है और जिस परिस्थिति में लिया है, उसने हमारे देश के लिए एक अत्यंत ही खतरनाक स्थिति को पैदा कर दिया है। मैं आपसे कहना चाहता हूं कि आप जो विदेश से कर्जा लेते हैं, उसको खर्च नहीं कर पाते हैं और जो कमिटमेंट चार्ज होता है प्रति वर्ष आप देखें अभी आपकी समीक्षा मिली है, कभी 17 हजार करोड़ रुपये कभी 15 हजार करोड़ रुपये कमिटमेंट चार्ज हम देते हैं बिना किसी मतलब के, क्योंकि समय पर आप उसको यूटिलाईज नहीं कर पाते हैं।

आप ही बताइये कि गलती आपकी और सारे देश को तबाह करते चले जा रहे हैं। सरकार को अपनी गलती को स्वीकार करना चाहिए।

मैंने आपसे कहा कि अंतर्राष्ट्रीय ऋण के संबंध में जो अभी मैंने आपसे चर्चा की थी, वह खुद इंटरनेशनल मानेटरी फंड की रिपोर्ट और मैं चर्चा करता हूं कि उसने एक अध्ययन किया है कि जिसको उन्होंने कर्जा दिया, क्या उनकी हालत अच्छी हुई है या खराब हुई है। वह रिपोर्ट कहती है—मैं कोट करता हूं —

> "Large groups of poor people in the cities of Chile, the Dominican Republic and the Philippines suffered from the currency devaluation."

जो डिवेल्युएशन हुआ, उससे गरीब लोगों की और भी ज्यादा तबाही हुई फिलीपीन्स के बारे में कहता है कि —

"....spending on health and schools was cut and the devaluation and restrictions on imports raised prices sharply."

यही हाल होता है । आपने जो यह सोचा है कि इससे संकट दूर होगा यह बात होने वाली नहीं है । मूल्य वृद्धि होगी, मैंने आपसे पहले कहा है आप तो कह रहे हैं कि मूल्य वृद्धि नहीं होगी । तो हाथ कंगन को आरसी क्या—एक सौ दिन आपने कहा था, वह नजदीक आ रहे हैं । जो मंत्री आपके कह रहे हैं कि सौ दिन में प्राईस घट जाएगी, ऐसा नहीं हो तो इनको इस्तीफा दिलवा दीजिए, हम स्वीकार कर लेंगे ।

एक माननीय सदस्य : आपके बाद से । (**व्यवधान**)

श्री चतुरानन मिश्र : कब से ?

एक माननीय सदस्य बजट के पास हो जाने से । (**व्यवधान**)

श्री चतुरानन मिश्र : अच्छा बजट पास होने के सौ दिन बाद तो और दाम बढ़ जाएगा । आप हमसे सुन लीजिए, ऐसा असत्य नहीं बोलना चाहिए जिसकी बहुत छोटी लाईफ हो । इसमें आप तुरंत पकड़े जायेंगे कि सारे देश को आप यह कह रहे हैं कि दाम नहीं बढ़ेगा जबकि आपके हरेक के घर में तो गृहणी हैं, वह रिपोर्ट करती होगी कि बाजार भाव क्या है, कितना है । ऐसा असत्य बोल कर आप किसका भला कर रहे हैं, सो हमको कहिए।

तब जो सोचने की बात है कि आपने कर्जा लिया, अवमूल्यन किया अवमूल्यन करके आप कह रहे हैं कि हम एक्सपोर्ट बढ़ा सकेंगे, इम्पोर्ट घट जाएगा । आपने इम्पोर्ट करने का जो टैक्स था, वह करीब-करीब 882 करोड़ रुपये का आपने घटा दिया है । जब आपने यह कर घटा दिया है, तो इम्पोर्ट के लिए तो उनको और भी इनसेंटिव मिल गया । तो इम्पोर्ट भी बढ़ जाएगा और दाम भी नहीं घटेगा । फिर दाम बढ़ जाएगा, तो फिर आप अवमूल्यन करेंगे या फिर आप कर्जे में जायेंगे ।

एक माननीय सदस्य : और दाम भी बढ़ जाएगा । . . .(**व्यवधान**) . .

श्री चतुरानन मिश्र : आपका दाम ज्यों-ज्यों बढ़ेगा, त्यों-त्यों . . (**व्यवधान**) निर्यात खर्चीला होगा और निर्यात ठप पड़ेगा ।

इसलिए मेरे पास एक दूसरा रास्ता है, अगर आप स्वीकार करें, लेकिन इसके पहले मैं एक बात कहना चाहता हूं । कुछ लोग कहते हैं कि आप लेटिन अमरीका का उदाहरण तो देते हैं, लेकिन कोरिया और सिंगापुर तथा हांग-कांग का क्यों नहीं देते ? बात सही है । मैं सब का लेखा-जोखा करना चाहता हूं ।

कोरिया में क्या हुआ ? अमरीका ने इन देशों की पूरी मदद की और उनको अपना बाजार दे दिया । भारत के साथ अमरीका क्या करता है कि हम पर सुपर–301 का नोटिस दे देता है । क्या कोरिया को देता था, क्या सिंगापुर को देता था, क्या हांग कांग को देता था ? इसलिए कि अभी पिछले पचास वर्ष के इतिहास में हांग कांग, सिंगापुर, तैवान का सिर्फ ज्योग्राफी, हिस्ट्री नहीं है । और आपकी जोग्राफी और हिस्ट्री दोनों भारत की है । आप स्वतन्त्र नीति अख्तियार करते थे, इसीलिये, आपको सुपर 301 नोटिस मिलता था । यही कारण है कि हम आपसे कहना चाहते हैं और दूसरा क्या हुआ, अमरीका ने सालाना कोरिया का, उपसभाध्यक्ष महोदय, मेरे पास एक अध्ययन की रिपोर्ट है कि 30–35 मिलियन डालर्स हरेक साल उसको पंजी इम्पोर्ट करके आपको नहीं देना । आप जवाहर लाल नेहरू जी को चाहे तो उनका नाम इतिहास से काट दीजिये । आपकी खुशी है, लेकिन अज्ञान मंत्री की हैसियत से इन्होंने स्टील प्लांट मांगा था, कुलकर्णी

[श्री चतुरानन मिश्र]

जो यहां बैठे हुए हैं, अमरीका वालों ने नहीं दिया, दूसरे पूंजीवादी देशों ने नहीं दिया, तब सोवियत संघ से वह लाये हैं। यह बात इतिहास में सच है। इसीलिये हम आपसे कहना चाहते हैं कि वह आपकी इतनी मदद नहीं करेंगे। बहु-राष्ट्रिक हमारी मदद के लिये भारत नहीं आते हैं। वह इसीलिये यहां आ रहे हैं कि हमारे देश में 8-10 करोड़ लोग खुशहाल हैं, वह एक अच्छा बाजार है। उस बाजार को लूटने के लिये आ रहे है यही एक मात्र कारण है। वह कोई दयाभाव से हमारे यहां नहीं आ रहे हैं। इसलिये हमारा ख्याल है कि वह यहां आयेंगे, जैसे पेप्सी कोला के प्रश्न पर इस सदन में आया, तो उन्होंने हमारी सरकार की बात को नहीं सुनी, उनको एक्सपोर्ट करना था सांफ्ट ड्रिंक्स का, वह बासमती चावल और क्या-क्या यहां से विदेश भेज रहे हैं, जो हम ही भेज सकते हैं, उसी तरह वह करेंगे और आप उन पर कोई कार्यवाही नहीं कर सकते हैं। अब इस हालत में जो कर्ज लिया गया, वह बिना कर्ज लिये हुए हम काम चला सकते थे, बिना अवमूल्यन किये हुए हम काम चला सकते थे। आपको कुछ उदाहरण देता हूं, इस जरिये से एक विकल्प खड़ा करके हम इस काम को कर सकते थे। विकल्प है निर्यात की चीजों के उत्पादन खर्च घटाकर उस पर टैक्स घटाकर, जो संभव है, ज्यादा निर्यात करने का न कि अवमूल्यन। यह मैं नहीं कहता, कि आर्थिक स्थिति बहुत कुछ सुन्दर है, लेकिन मैं यह मानने के लिये तैयार नहीं हूं कि उपसभाध्यक्ष महोदय, कि बहुत ज्यादा गहरा संकट है। हमारा अन्न का उत्पादन ठीक है, हम विदशों से कोई अन्न नहीं मंगा रहे हैं। साधारणत: हमारी औद्योगिक प्रगति भी ठीक ही जा रही है, हमको कपड़ा हमारे लायक है और चीजें खाने-पीने के लायक हमारे देश में। इसलिये आप जितना संकट कहते हैं और हमारे पूंजीपतियों को संकट नहीं है। उनको हाइएस्ट प्राफिट हुआ, अगर श्री यशवन्त सिन्हा जी को बोलने का मौका मिले, जो हमारे वित्त मंत्री रहे हैं, तो कहेंगे कि वह उनका मुनाफा नहीं घटता, उनका मुनाफा तो दुरुस्त रहता है। तो आप बताइये कि संकट किसके लिये है। संकट है, भारत सरकार की सोच में, आपने गलती की है, विदेश से अनबैलेंस फारेन ट्रेड किया है, उसके चलते यह संकट है। दूसरी बात जो हमारे श्रद्धेय मित्र कुलकर्णी जी ने कही और कांग्रेस पार्टी के स्पोक्समैन हमारे ठाकुर जी ने कहा कि आप लोग हमारे साथ सहयोग कीजिये, सहयोग कर सकते हैं कोई ऐसी बात नहीं है कि राष्ट्रीय सवाल हो, देश पर हमला होगा, तो करेंगे, लेकिन अभी नीति तो पहले स्पष्ट कीजिये। आपके जो वित्त मंत्री जी का भाषण है, उसमें एक जगह भी नहीं है कि जिसमें वह यह चर्चा करें कि गरीबों का कोई शोषण कर रहा है। आप दान-दक्षिणा में तो कुछ अरब रुपये जरूर दे दिये हैं, गरीबी हटाओ के, लेकिन आप बताइये कि मुनाफाखोरी होती है या नहीं! क्या इसको रोकने का आपके पास कोई इन्तजामा है या नहीं? क्या भारत का पूंजिपति वर्ग ऐसा करता है या नहीं? क्या मनी लेंडिंग होती है या नहीं? क्या जमींदार लोग शोषण करते हैं या नहीं! क्या स्मगलिंग होती है या नहीं। क्या टैक्स इवेजन होता है या नहीं! क्या भारतीय धन विदेश में जमा किया जाता है या नहीं! क्या एडल्ट्रेशन होता है या नहीं! क्या मजदूरों का शोषण होता है या नहीं! ये सारी चीजें धृतराष्ट्र जैसा अंधा नहीं देखे, तो अलग बात है, लेकिन मौजूदा शासक इतना अंधा है, इसके बारे में कि एक लफ्ज नहीं कहें। आप हमको बता दीजिये हम कैसे आपके साथ सहयोग करें? आपकी इस नीति से काफी कल-कारखाने और भी बीमार पड़ेंगे। मैंने आपसे कहा कि हम फारेन टैक्नालाजी जहां उचित हो, लाने के हम खिलाफ नहीं हैं। मैंने पहले आपसे कहा, लेकिन अगर यह खतरनाक स्थिति हमारी पैदा होती है, तो हम इसका मुकाबला करने के लिये बाध्य है। इसलिये आपके साथ सहयोग करने का कोई प्रश्न ही नहीं उठता है।

दूसरा जो सबसे खतरनाक काम आप कर रहे हैं, वह यह है कि पिछली सरकार ने एक नीति बनायी थी जिसके बारे में आप लोग आम तौर से बोलते हैं, लेकिन इस बार अचानक आपने जिसको चुपचाप रोक लिया है, वह है कि राष्ट्रीय मोर्चे की सरकार के वक्त में एक योजना बनी थी कि 2000 ईसवी तक महाराष्ट्र में नियोजन गारंटी ...(समय की घंटी) ... की तरह एक स्कीम है, उस तरह की व्यवस्था की जाये । यह राष्ट्रीय पैमाने पर लागू की जाए । इसके लिए 13 हजार करोड़ रुपया सालाना खर्चा देने से यह हो सकती थी, लेकिन आप इसको नहीं कर रहे हैं । आप पब्लिक सेक्टर के डिस-इनवेस्टमेंट की बात करते हैं । थोड़ी देर के लिए मान लीजिए कि आपकी यह बात सही है और आप यह डिस-इनवेस्टमेंट करना चाहते हैं, लेकिन मैं जानना चाहता हूं कि यह डिस-इनवेस्टमेंट कहां होगा । जो कारखाना घाटे में है, वहां तो कोई धन नहीं देगा । वह तो जो हमारा कारखाना मुनाफे में है ... (व्यवधान) उसे आप खानगी को देंगे ।

SHRI A. G. KULKARNI: Employment guarantee is with the State. The Central Government does not contribute to employment guarantee.

पहले बिहार में एम्प्लायमेंट गारंटी स्कीम लागू करने के बारे में बोलिए ।

श्री चतुरानन मिश्र : बिहार के बारे में क्यों बोलें, दिल्ली के बारे में, राष्ट्रीय योजना क्यों नहीं ?

श्री अरविंद गणेश कुलकर्णी : पैसा कहां से लाएंगे ?

श्री चतुरानन मिश्र : पैसे के बारे में हम आपको बता देते हैं । क्यों घबरा रहे हैं, जरा सुन तो लीजिए ।

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): Mr. Mishra, please wind up your speech.

SHRI CHATURANAN MISHRA: I will complete tomorrow. Let the Minister make the statement.

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): No. There is dearth of time. You should complete today.

श्री चतुरानन मिश्र : मिनिस्टर बोलें, मैं तो आपसे कह रहा हूं कि मैं रुक जाता हूं, आप जैसा कहिए ?

THE VICE-CHAIRMAN (DR. NAGEN SAIKIA): The Minister will make the statement at 5.30 p.m. Before that, you will have to conclude.

श्री चतुरानन मिश्र : मैं आप कह रहा था कि अगर यही बात है तो प्राइवेट सेक्टर में भी तो हमारे एल. आय.सी. का रुपया है, फायनेंसियल इंस्टीट्यूशंस का रुपया है । उसके शेअर क्यों नहीं ओपन मार्केट में बेच देते हैं। उससे भी 10 हजार करोड़ रुपया आएगा। हमारे माननीय सदस्य कुलकर्णी जी कह रहे थे कि रुपया कहां से आएगा । हम तो रुपया दिखला देते हैं, वहां से ले लीजिए । खानगी क्षेत्र के सरकारी धन का इन्वेस्टमेंट क्यों नहीं जाएगा ? आप तो कह रहे हैं 2000 करोड़ रुपया, लेकिन हम तो आपको कह रहे हैं 5 हजार, 10 हजार करोड़ रुपया लाने के लिए । इसी तरह हम आपसे आर्थिक संकट के बारे में कहना चाहेंगे । अब कार्पोरेट सेक्टर है, उनका प्रोफिट बढ़ा और वह कहते हैं कि हम देश के लिए बड़े चिंतित हैं । आपने उन पर टैक्स 5 परसेंट बढ़ाया, 5 परसेंट और बढ़ा दीजिए उनको भी तो राष्ट्र की मदद करनी है । बाकी लोग तो मूल्य वृद्धि से टकराकर अपना श्रम बेचकर करेंगे ।

अब आपने हायली कॉस्टली प्रशासन रखा हुआ है । डिसेंट्रलायजेशन ऑफ प्रशासन कीजिए । कुछ महकमे जो दिल्ली में हैं, उनको त्याग दीजिए । भारत सरकार की तो एक एकड़ भी खेती नहीं है । मिनिस्ट्री ऑफ एग्रीकलचर है, यह इतना बड़ा महकमा रखकर

[श्री चतुरानन मिश्र]

क्या कीजिएगा ? उसे राज्यों को दे दीजिए । ऐसे अनेक विभाग हैं जो राज्यों को दे दीजिए । विकेन्द्रीकरण कीजिए और राज्य ब जो उससे डायरेक्ट संबंधित हैं, उनको दीजिए । फिर राज्य पंचायत स्तर तक दे । इस तरह प्रशासनिक खर्च को कम किया जा सकता है ।

महोदय, इनकम टैक्स और प्रोविडेंट फंड एरियर का भारतीय पूंजीपतियों के यहां अरबों रुपया बाकी है, लेकिन वित्त मंत्रीजी के भाषण में इस बारे में एक लफ्ज भी नहीं है । हम लोग जब कहते हैं कि यह पूरी तरह पूंजीपतियों की दलाली का बजट है तो आप चिढ़ जाते हैं, लेकिन क्या वजह है कि इनकम टैक्स और प्रोविडेंट फंड एरियर को आप चर्चा तक नहीं करते हैं ? मैंने पहले ही कहा है कि जो टैक्स एवेजन होता है, जो कि तस्करी के जरिए होता है, उसको रोकने के लिए आप क्यों नहीं कोई कालबद्ध योजना बनाते हैं ? उससे आपको पैसा मिल सकता है ।

महोदय, हमारे किसान भाइयों के पास पैसा है जोकि पिछले दिनों कृषि मूल्य बढ़ा है । आप तो बहुत चर्चा करते हैं कि किसानों को 1500 करोड़ करोड़ रुपया कर्ज देकर गड़बड़ कर दिया । मैं आपसे पूछना चाहता हूं कि यही बात फिर आप क्यों नहीं बोलते हैं कि 2 लाख 60 हजार के लगभग इंडस्ट्रीज क्लोज्ड हैं, जिसमें हमारे बैंक का 10,000 करोड़ रुपए से ज्यादा डूब गया । तो वह जो 10,000 करोड़ रुपया जो डूब गया है, उसके बारे में आप क्यों नहीं बोलते हैं, सिर्फ किसानों के बारे में क्यों बोलते हैं ? आप जो लोन मेला लगाते हैं, ऋणम कृत्वा घृतम पिवेत जैसा चलाना है । जब ऐसा चला है तो फिर हमको क्या कह रहे हैं । लेकिन, मैं कह रहा था कि किसानों के पास अभी जो ऐसा कुछ अतिरिक्त धन है उसके लिए कोई तरीका, कोई स्कीम निकालिए । डायरेक्ट टैक्सेशन तो नहीं कर सकते हैं, वह तो मैं जानता हूं, लेकिन कोई ऐसा तरीका निकालिए ताकि जो उनके पास धन है वह किसी बॉण्ड जैसे में आ कर लगे । इसके लिए कुछ आप कीजिए ।

आपने ब्लैक मनी के लिए किया । मुझको, उपसभाध्यक्ष जी, इस पर ज्यादा चिंता नहीं क्योंकि हमारी सरकार आजकल ऐसी हो गयी है । जो आतंकवादी हैं, हत्यारे हैं, आपका अपहरण करने वाले हैं, उनके लिए हम क्या करते हैं ? उनको पकड़कर हम जेल नहीं भेजते हैं, फांसी नहीं देते हैं । वह ताकत हमको नहीं है । हम उसके साथ निगोसिएट करते हैं कि आओ, आतंकवादियो तो वह हमसे कहता है कि आपका हम एक आदमी रखेंगे पकड़ कर, आपने हमारे 500 रखे हुए हैं । आप पांच हमारे छोड़ दीजिए, हम एक आपका छोड़ देंगे । तो लॉएब्ड आर्डर में यही बात आप कर रहे हैं और यही बात आप टैक्स के बारे में कर रहे हैं कि जितने लोगों ने ब्लैक किया, उनको छूट है कि हमको थोड़ा दे दो और थोड़ा आप ले लो, दोनों मिलकर खाओ और फिर बात करो ।

[उपसभापति महोदया पीठासीन हुईं ।]

महोदया, मैं यह कह रहा था कि इन साधनों से जो आप रुपया जमा करके उसको आप नियोजन के लिए, जैसा कि मैंने कहा राष्ट्रीय नियोजन स्कीम में लगाएं और उसमें आप 13,000 करोड़ रुपये की जो पहले स्कीम थी, उसको चालू करें । (**समय की घंटी**)

एक मिनट का समय और लेना चाहूंगा ।

उपसभापति : चतुरानन जी, आपने बहुत समय ले लिया है दूसरों का भी ।

श्री चतुरानन मिश्र : आपके पहले जो चेयर पर थे, उन्होंने साढ़े पांच बजे तक का कहा है ।

उपसभापति : नहीं, क्योंकि एक घंटा छब्बीस मिनट अदर्स के लिए हैं, उसमें आप भी हैं ।

श्री चतुरानन मिश्र : दो मिनट और दे दीजिए, ज्यादा समय नहीं लूंगा । एक बात जो मैंने पहले की सरकार के पास भी उठाई थी और अब भी उठा रहा हूं कि इस सभ्य देश के अन्दर बहुत बड़ा असभ्य काम हो रहा है और वह है हमारे हरिजन भाइयों का

माथे पर पाखाना उठाना। आजादी मिले तो चालीस वर्ष हो गए, लेकिन अभी तक ड्राय लेटरीन बहुत अधिक हैं। मैंने पिछली सरकार से भी, जिस सरकार का समर्थन हम करते थे, कहा था कि डा. अम्बेडकर जयंती का वर्ष है, इसके अन्दर इसको समाप्त कर दीजिए, एक साल के अन्दर कोई कालबद्ध योजना बनाइए। उन्होंने भी इसको नहीं किया और आज भी हम देखते हैं आपने इसमें कुछ फंड दिया है यानी माथे पर पाखाना ढोने के लिए पचास वर्ष और चाहिएं। फिर आप कहिए, हम कैसे सभ्य कहलाते हैं ? इसलिए इसे एक साल में खतम करें।

उपसभापति महोदया, एक और काम है, जिसकी मैं कहना चाहूंगा। हम देखते हैं कि शहर के अंदर बड़े-बड़े लोगों के यहां जो शादी होती हैं। तो वह लोग तो कार से जाते हैं और गरीब लोग माथे पर बेटरी की लगी हुई रोशनी लेकर चलते हैं। आप लोगों ने भी देखा होगा कि माथे पर गरीब लोग रोशनी लेकर चलते हैं। आप बताइए कि क्या यह अमानवीय काम नहीं है ? एक आदमी गाड़ी पर, कार पर चल रहा है और दूसरा माथे पर रोशनी लेकर चल रहा है, क्या यह लज्जाजनक बात नहीं है ? अगर आपको टैक्स ही चाहिए तो ऐसा कर दीजिए कि जो वास्तव में ऐसे लोगों से माथे पर रोशनी लेकर जाएगा तो उसको 50,000/- रुपया टैक्स देना होगा। इतना तो आप कर दीजिए। इस तरह बोण्डेड लेबर का कुछ काम है। आपने जो तरीका अख्तियार किया है, उस तरीके से वह कभी आजाद नहीं हो सकते हैं। अभी अन्तर्राष्ट्रीय श्रम संगठन ने बंधुआ मजदूरों के लिए कमीशन बनाने को कहा है। इसीलिए मैं आपसे फिर कहूंगा नियोजन की बात, कि राष्ट्रीय नियोजन स्कीम का कुछ कीजिए। (समय की घंटी)..

इसी तरह सब्सीडी पेंशन योजना बनाइए ताकि बूढ़े लोग भीख न मांगें। आप बहुत दिल में कहते हैं कि लोग बदमाश होते जा रहे हैं। लोग देख रहे हैं हम लोग जिस राज को चलाते हैं, उसमें बूढ़े लोग अगर भीख मांगते हैं तो उन का क्या होगा? वे हमारी बात क्यों सुनेंगे ? आजादी मिले चालीस-पचास वर्ष भी हो गए और यह स्थिति है। इसलिए कर्मिंग जनरेशन उद्दंड हो रही है, बंदूक उठ रही है और आपसे मुकाबला कर रही है, जिससे पुलिस का और भी खर्चा बढ़ता है। . . (समय की घंटी) . .

तो मैं आपसे कहूंगा कि यह बजट जिस ढंग से आया है वह बिल्कुल गलत है, राष्ट्र के हित में नहीं है। इसलिए मैं आपको वक्त पर चेतावनी देता हूं कि बदल दीजिए और जो नेहरू जी ने रास्ता दिखाया था, अगर उसको कुछ सही करना हो तो उसके लिए हम तैयार हैं, लेकिन मूलतया वह नीति सही है, उसका आप परित्याग मत कीजिए वरना यह देश सर्वनाश के कगार पर जाएगा। यही मैं कहना चाहता था। धन्यवाद।

STATEMENT BY MINISTER
CAUVERY WATER DISPUTE

THE MINISTER OF WATER RESOURCES (SHRI VIDYACHARAN SHUKLA): Madam, exercising the powers conferred by the Inter State Water Disputes Act, 1956, a Tribunal was constituted by issuing Notification on 2nd June, 1990 and the request made by Tamil Nadu Government on 6th July, 1986 was referred to the Tribunal for adjudication.

After the Cauvery Water Disputes Tribunal issued their Interim Order on 25th June, 1991 there have been various representations against the Order and the issues involved. Government of Karnataka also promulgated an Ordinance on 25th July, 1991 making certain provisions for the protection of irrigation in the Cauvery Basin areas of Karnataka.

The Government considered the matter carefully in all its aspects and decided to refer the legal questions associated with the Tribunals Interim Order and the Ordinance of the Government of Karnataka to the Supreme Court. On the advice of the Government, the President of India has made a reference to the Supreme Court under clause (1) of Article 143 of the Constitution of India which has been